

PERSI INVESTMENT REPORT

Month to Date Report

September 24, 2006

CURRENT VALUE OF THE FUND	\$	9,961,864,114
FISCAL YEAR CHANGE IN MARKET VALUE	\$	370,136,411
FISCAL YEAR TO DATE RETURNS		3.8%
MONTH TO DATE RETURNS		0.5%

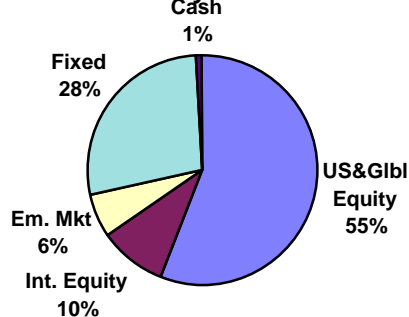
Month Returns

Fiscal Year Returns

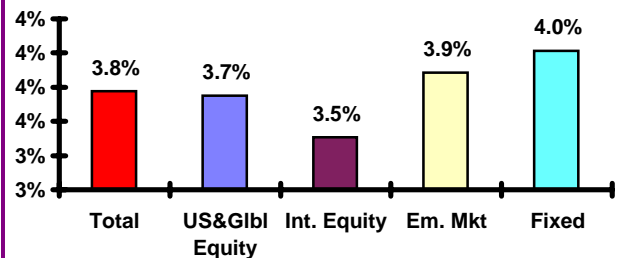
Five Year Returns

Total Fund	0.5%	Total Fund	3.8%	Total Fund	10.2%
55-15-30 Policy	0.5%	55-15-30 Policy	3.3%	55-15-30 Policy	8.2%
U.S Equity	1.0%	U.S Equity	3.6%	U.S Equity	8.8%
R3000	0.7%	R3000	3.1%	R3000	7.8%
Global Equity	0.0%	Global Equity	4.1%	Global Equity	13.7%
MSCI World	-0.3%	MSCI World	3.0%	MSCI World	10.2%
Foreign Equity	-0.7%	Foreign Equity	3.5%	Foreign Equity	16.2%
MSCI EAFE	-1.1%	MSCI EAFE	2.7%	MSCI EAFE	14.4%
Fixed Income	0.7%	Fixed Income	4.0%	Fixed Income	5.8%
Leh Agg	0.9%	Leh Agg	3.9%	Leh Agg	4.8%

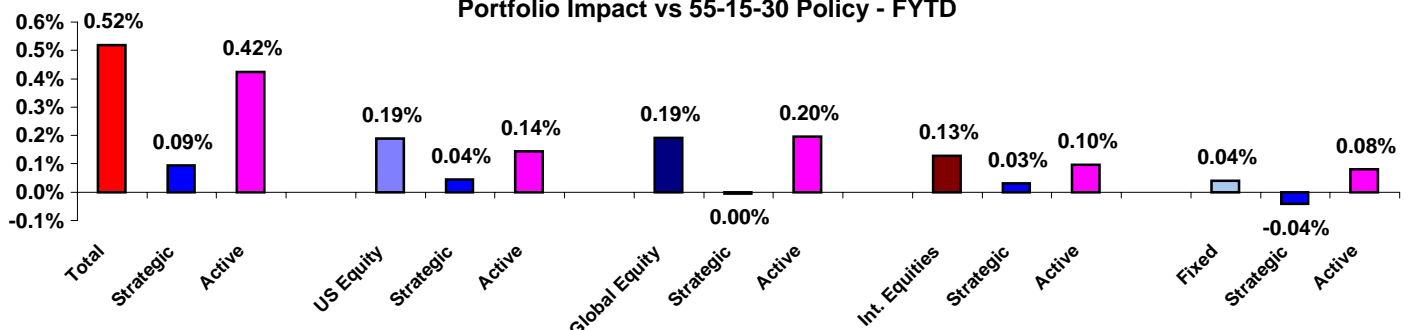
Fund Allocation by Benchmarks



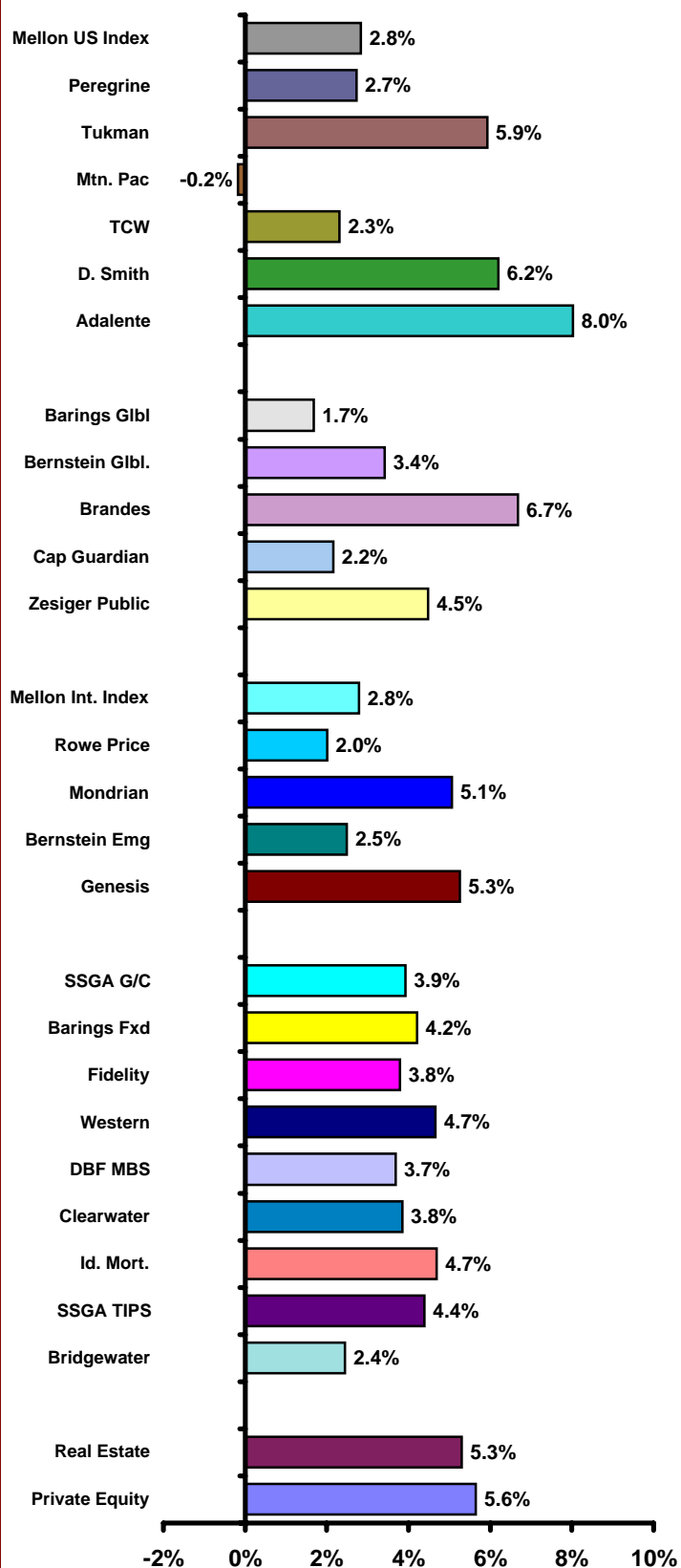
Fiscal Year To Date - Total Returns



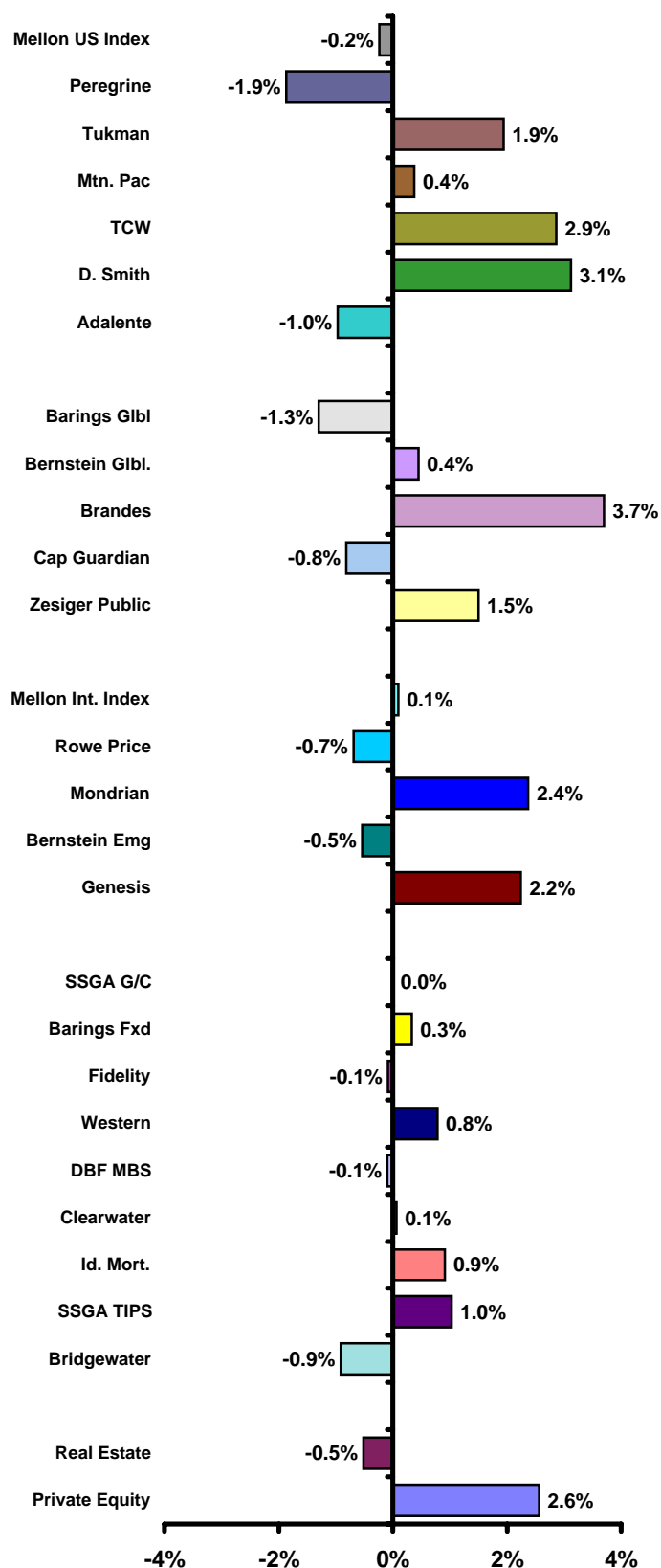
Portfolio Impact vs 55-15-30 Policy - FYTD



Fiscal Year to Date Returns



FYTD Returns vs. Benchmarks

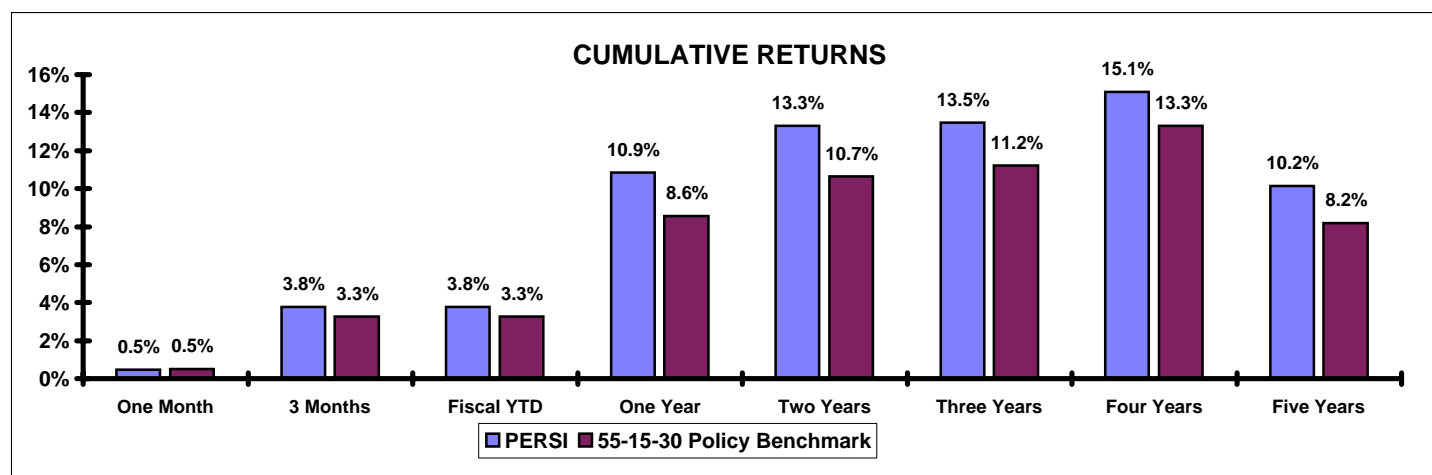
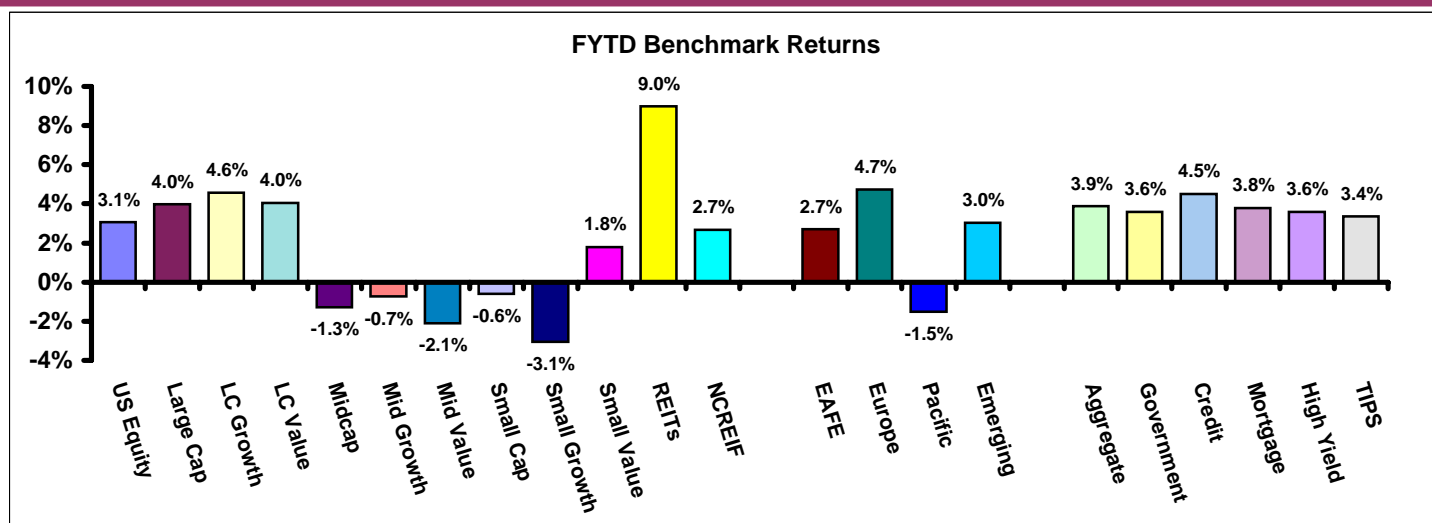


CIO Comment

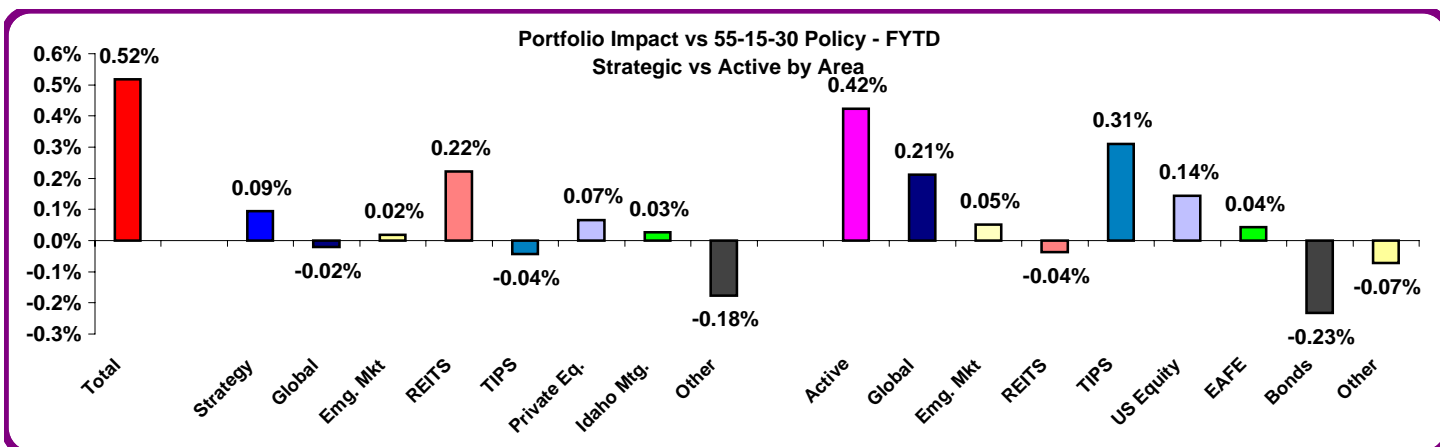
Some nervousness about the dangers of inflation, possible Fed action, and declining growth (and earnings) have re-entered the market this month, but overall the US equity markets are up, the international markets are down, and bonds are positive. The fund is up 0.5% for the month, and is up 3.8% for the first few months of the new fiscal year, at \$9.96 billion. Mid and Small Cap US stocks have had the roughest ride for the fiscal year to date, with REITS, large cap US stocks, and bonds being the leading performers.

Adalente, Donald Smith, Brandes, and Tukman are the leading performers in absolute returns. Brandes, TCW, and Donald Smith are the leading performers against benchmark for the fiscal year to date. Peregrine is struggling out of the gate (although they are doing very well this month).

The first three months of the new fiscal year also have seen PERSI ahead of the strategic benchmark by 0.52%, with active management, for the first time in memory, significantly outperforming the strategic bets in aiding outperformance. With the underperformance of small cap stocks and the outperformance of large cap, and particularly large cap growth, stocks, there is the first faint indication of some change in market dynamics. This is most apparent in the good absolute and relative performance of the Tukman and TCW domestic portfolios. With the early outperformance of the S&P 500 over mid and small cap stocks by around 6%, the portfolio outperformance of the strategic benchmark is a faint, but hopeful, sign. The stunning start for REITs is the most unexpected portion of the market performance.



	Current Month	One Year	Three Years		%
TOTAL FUND	0.5%	10.9%	13.5%	\$ 9,961,864,114	
US EQUITY	1.0%	11.6%	14.3%	\$ 3,599,641,370	36.1%
Mellon R3000	0.7%	8.1%	12.2%	\$ 1,633,483,456	16.4%
Peregrine	2.3%	0.6%		\$ 167,623,839	1.7%
Tukman	1.5%	9.5%	5.7%	\$ 267,370,167	2.7%
Mtn. Pac.	1.4%	9.9%	13.5%	\$ 301,718,681	3.0%
TCW	0.9%	11.0%		\$ 183,139,219	1.8%
D. Smith	1.6%	21.2%		\$ 222,848,951	2.2%
Adelante REIT	1.6%	30.4%	30.2%	\$ 319,814,416	3.2%
Real Estate Total	1.0%	22.9%	25.4%	\$ 528,521,590	5.3%
Private Equity	1.3%	18.7%	24.8%	\$ 333,936,255	3.4%
GLOBAL EQUITY	0.0%	15.7%	18.0%	\$ 1,949,557,410	19.6%
Barings	-0.4%	9.7%	14.1%	\$ 290,687,145	2.9%
Bernstein	-0.4%	18.7%		\$ 296,522,162	3.0%
Brandes	1.1%	15.3%	20.8%	\$ 479,466,682	4.8%
Cap Guardian	-1.0%	12.6%	15.5%	\$ 371,508,940	3.7%
Zesiger Public	0.0%	21.7%	18.3%	\$ 425,611,496	4.3%
Zesiger Total	0.1%	21.7%	17.9%	\$ 437,051,460	4.4%
INT. EQUITY	-0.7%	16.7%	23.3%	\$ 1,566,832,916	15.7%
Mellon EAFE	-1.0%	17.6%	21.5%	\$ 380,991,313	3.8%
Rowe Price	-1.2%	12.9%	18.1%	\$ 280,345,931	2.8%
Mondrian	-0.4%	17.7%		\$ 305,708,701	3.1%
Bernstein Emg	-0.8%	16.0%		\$ 292,820,825	2.9%
Genesis	0.0%	19.2%	33.3%	\$ 306,725,001	3.1%
FIXED INCOME	0.7%	3.3%	4.2%	\$ 2,769,607,699	27.8%
SSGA Gov/Credit	1.0%	3.4%	3.1%	\$ 647,283,617	6.5%
Barings	0.8%	3.0%	4.2%	\$ 221,405,147	2.2%
Fidelity	0.9%	4.5%		\$ 211,665,150	2.1%
Western	0.9%	4.4%		\$ 213,192,975	2.1%
DBF MBS	0.9%	4.4%	3.6%	\$ 152,471,262	1.5%
Clearwater	1.0%	4.3%	4.1%	\$ 159,104,520	1.6%
Idaho Mort	1.3%	4.5%	3.1%	\$ 292,283,510	2.9%
Bridgewater	0.2%	2.5%		\$ 263,477,608	2.6%
SSGA TIPS	0.0%	1.5%	5.5%	\$ 608,723,908	6.1%
Cash and Other				\$ 76,224,719	0.8%

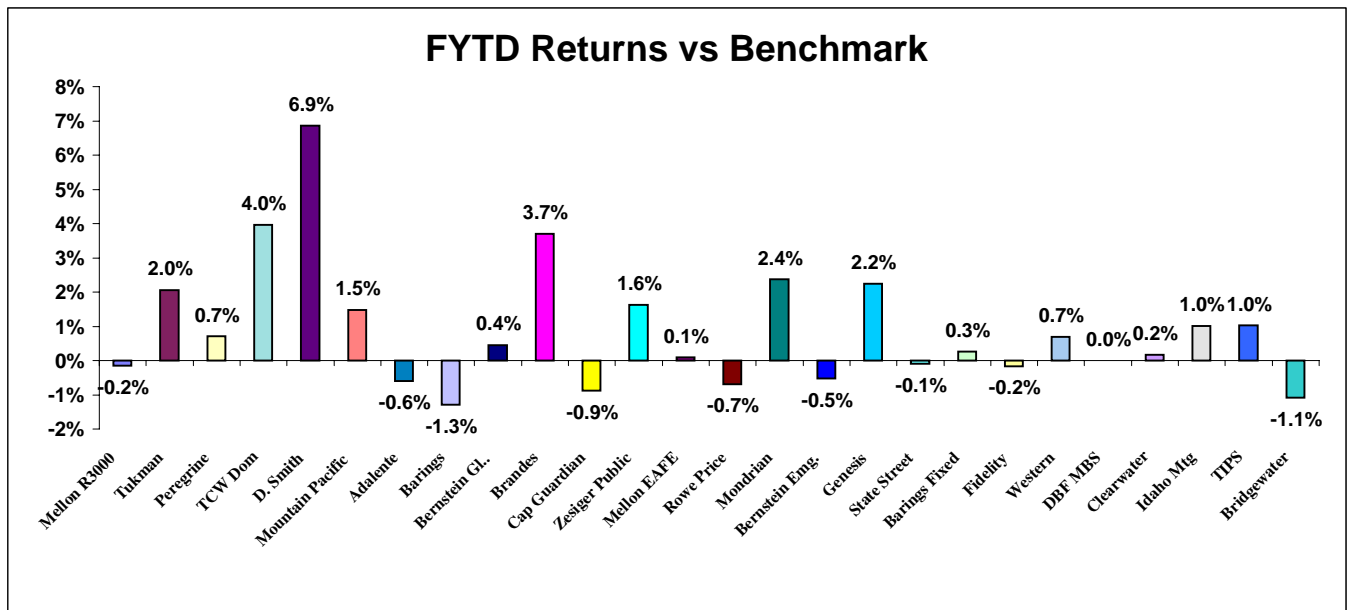


PERSI PORTFOLIO STATUS REPORT

September 24, 2006

	Latest Month	Fiscal Year to Date
Beginning Value	\$9,899,316,974	\$9,590,451,042
Net Contributions	\$17,298,605	\$9,222,290
Investment Gain	\$45,248,535	\$362,190,781
Ending Value	\$9,961,864,114	\$9,961,864,114

	Month	3 MO	FYTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Total Fund	0.5%	3.8%	3.8%	10.8%	13.3%	13.5%	15.1%	10.2%
<i>No rebalancing</i>	0.5%	3.2%	3.2%	8.5%	10.6%	11.2%	13.4%	8.2%
<i>Benchmark (55-15-30)</i>	0.5%	3.2%	3.2%	8.4%	10.4%	10.9%	13.0%	7.8%
<i>PERSI rebalancing</i>	0.5%	3.2%	3.2%	8.5%	10.5%	11.2%	13.1%	8.0%
<i>Strategic Policies</i>	0.2%	2.4%	2.4%	8.4%	11.2%	11.6%	13.5%	8.8%
U.S. Equity	1.0%	3.6%	3.6%	11.5%	13.5%	14.3%	15.8%	8.8%
<i>R3000 Index</i>	0.6%	3.0%	3.0%	8.5%	11.5%	12.4%	15.9%	8.3%
Global Equity	0.0%	4.1%	4.1%	15.7%	19.3%	18.0%	22.8%	13.7%
<i>World Index</i>	-0.3%	3.0%	3.0%	13.0%	16.2%	16.7%	18.9%	10.2%
Int. Equity	-0.7%	3.5%	3.5%	16.7%	24.3%	23.3%	24.8%	16.3%
<i>MSCI EAFE</i>	-1.1%	2.7%	2.7%	18.2%	22.2%	22.3%	23.3%	14.4%
Fixed Income	0.7%	3.9%	3.9%	3.3%	3.7%	4.2%	4.7%	5.8%
<i>Lehman Agg</i>	1.0%	4.0%	4.0%	3.8%	3.3%	3.4%	3.9%	4.8%



	Month	3 MO	FYTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
U.S./Global Equity Managers								
Mellon S&P 500 Fund	0.9%	4.1%	4.1%	9.5%	11.0%	11.9%	14.9%	6.7%
Mellon Mid and Small	-0.3%	-1.8%	-1.8%	2.9%	10.8%	12.3%	16.9%	8.5%
Peregrine	2.3%	2.7%	2.7%	0.6%	4.7%			
S&P 500 Growth	0.8%	2.0%	2.0%	3.3%	6.9%	7.1%	10.7%	3.9%
Tukman	1.5%	5.9%	5.9%	9.5%	4.1%	5.7%	7.9%	3.6%
S&P 500	0.8%	3.9%	3.9%	8.9%	10.6%	11.7%	14.7%	6.6%
Mtn. Pacific	1.4%	-0.2%	-0.2%	9.9%	10.6%	13.5%	14.8%	10.1%
TCW Dom	0.9%	2.3%	2.3%	11.0%	14.3%			
D. Smith	1.6%	6.2%	6.2%	21.2%	21.6%			
Russell 2500	-1.0%	-1.7%	-1.7%	6.4%	13.7%	15.2%	20.0%	13.9%
Barings	-0.4%	1.7%	1.7%	9.7%	13.8%	14.1%	16.8%	10.0%
Bernstein Global	-0.4%	3.4%	3.4%	18.7%	22.2%			
Brandes	1.1%	6.7%	6.7%	15.3%	19.4%	20.8%	25.7%	14.3%
Cap Guardian	-1.0%	2.1%	2.1%	12.6%	15.5%	15.5%	20.4%	
Zesiger (Public)	0.0%	4.6%	4.6%	21.9%	25.4%	18.3%	28.4%	20.4%
Zesiger (Total)	0.1%	4.4%	4.4%	21.7%	24.6%	17.9%	24.7%	17.1%
R3000	0.6%	3.0%	3.0%	8.5%	11.5%	12.4%	15.9%	8.3%
World Index	-0.3%	3.0%	3.0%	13.0%	16.2%	16.7%	18.9%	10.2%
Private Equity	1.3%	5.5%	5.5%	18.3%	24.0%	24.7%	15.4%	8.1%
Adelante	1.6%	8.3%	8.3%	30.9%	31.0%	30.4%	25.1%	23.5%
Real Estate	1.0%	5.4%	5.4%	22.6%	24.7%	25.3%	24.6%	21.7%
NCREIF	0.0%	2.7%	2.7%	17.1%	17.6%	15.3%	13.3%	11.7%
WREIT	1.6%	8.9%	8.9%	27.7%	28.4%	27.3%	26.9%	21.0%
International Equity Managers								
Index Fund	-1.0%	2.8%	2.8%	17.6%	21.6%	21.5%	22.7%	14.0%
Rowe Price-Fleming	-1.2%	2.0%	2.0%	12.9%	19.3%	18.1%	20.0%	12.0%
Mondrian	-0.4%	5.1%	5.1%	17.7%	22.1%			
International Index	-1.1%	2.7%	2.7%	18.2%	22.2%	22.3%	23.3%	14.4%
Bernstein Em. Mkt	-0.8%	2.5%	2.5%	16.0%	22.1%			
Genesis Em. Mkts	0.0%	5.3%	5.3%	19.2%	34.1%	33.3%	36.5%	31.4%
Emerging Mkts	-1.1%	3.0%	3.0%	18.5%	32.1%	30.2%	34.0%	28.4%

	Month	3 MO	FYTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Fixed Income Managers								
Barings Fixed	0.8%	4.2%	4.2%	3.1%	4.1%	4.2%	4.8%	5.4%
Western	0.9%	4.6%	4.6%	4.4%				
Fidelity	0.9%	3.8%	3.8%	4.5%				
Lehman Agg.	1.0%	4.0%	4.0%	3.8%	3.3%	3.4%	3.9%	4.8%
DBF MBS	0.9%	3.7%	3.7%	4.4%	3.5%	3.6%	3.6%	4.4%
Clearwater	1.0%	3.8%	3.8%	4.3%	3.9%	4.1%	4.1%	
Lehman Mort.	0.8%	3.7%	3.7%	4.1%	3.8%	4.0%	3.8%	4.5%
Idaho Mort.	1.3%	4.7%	4.7%	4.5%	3.6%	3.1%	3.3%	5.0%
Gov/Corp Fund	1.0%	3.9%	3.9%	3.4%	3.0%	3.1%	3.9%	4.9%
Gov/Corp Index	1.1%	4.0%	4.0%	3.5%	3.0%	3.2%	4.0%	5.0%
Bridgewater	0.2%	2.3%	2.3%	2.4%				
TIPS	0.0%	4.4%	4.4%	1.5%	4.0%	5.5%	6.1%	7.9%
Lehman TIPS	0.0%	3.4%	3.4%	1.6%	3.4%	5.1%	5.7%	7.4%

PRIVATE EQUITY

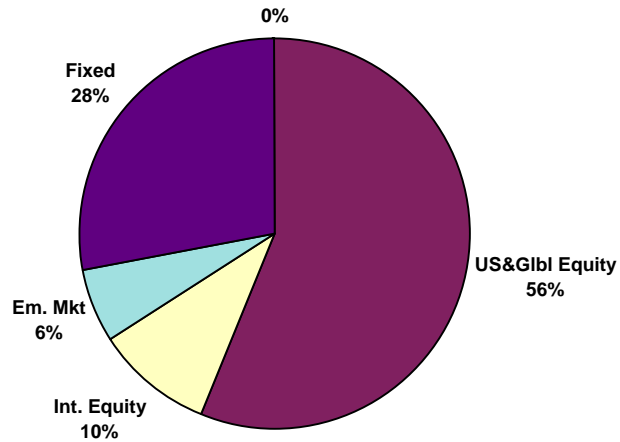
	Month	3 MO	FYTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Private Real Estate	0.0%	0.9%	0.9%	7.3%	9.3%	10.3%	9.9%	10.5%
NCREIF	0.0%	2.7%	2.7%	17.1%	17.6%	15.3%	13.3%	11.7%
Private Equity	1.3%	5.5%	5.5%	18.3%	24.0%	24.7%	15.4%	8.1%
Russell 2500	-1.0%	-1.7%	-1.7%	6.4%	13.7%	15.2%	20.0%	13.9%

IMPACT OF POLICIES AND ACTIVE MANAGEMENT ON TOTAL FUND RETURN:

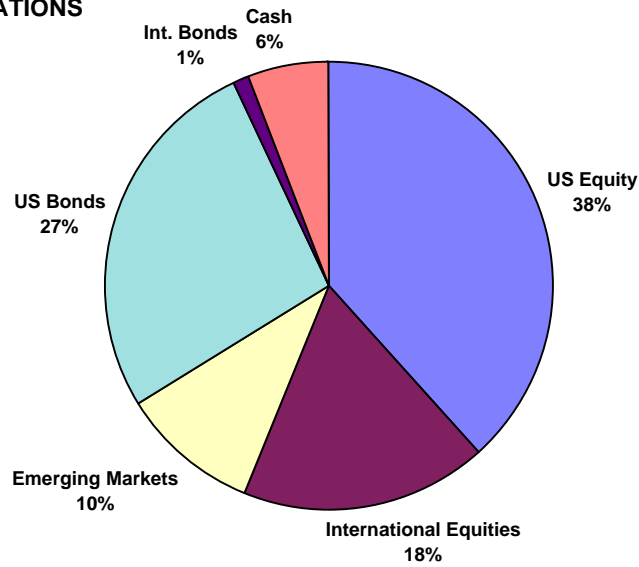
	Month	3 MO	FYTD	1 Yr	2 Yr	3 Yr	4 Yr	5 Yr
Base 55-15-30 Return	0.49%	3.24%	3.24%	8.5%	10.6%	11.2%	13.3%	8.1%
PERSI vs 55-15-30 (+/-)	-0.03%	0.53%	0.53%	2.3%	2.7%	2.3%	1.8%	2.1%
Actual Rebalance	-0.02%	-0.03%	-0.03%	0.1%	0.1%	0.2%	0.1%	0.1%
Global vs R3000	-0.12%	0.21%	0.21%	1.4%	1.3%	1.0%	1.2%	1.0%
REITS vs R3000	0.03%	0.17%	0.17%	0.7%	0.6%	0.5%	0.4%	0.5%
Emerging Mkts vs EAFE	0.04%	0.07%	0.07%	0.0%	0.4%	0.3%	0.4%	0.4%
TIPS vs Leh Agg	-0.08%	-0.02%	-0.02%	-0.1%	0.1%	0.2%	0.2%	0.3%
Idaho Mortgages vs Agg	0.01%	0.02%	0.02%	0.0%	0.0%	0.0%	0.0%	0.0%
Private Equity vs. R3000	0.02%	0.08%	0.08%	0.2%	0.2%	0.2%	-0.1%	-0.1%
Private Realty vs R3000	-0.01%	-0.04%	-0.04%	0.0%	0.0%	0.0%	0.0%	0.0%
Currency Overlay	-0.01%	0.00%	0.00%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Active US Only	0.05%	0.07%	0.07%	0.3%	0.2%	0.2%	0.0%	0.1%
Active EAFE	0.02%	0.06%	0.06%	-0.1%	-0.1%	-0.2%	-0.1%	0.0%
Other Bond	-0.01%	-0.01%	-0.01%	0.0%	0.0%	0.0%	0.0%	-0.1%
Interactive and Other	0.06%	-0.05%	-0.05%	-0.3%	-0.1%	-0.2%	-0.2%	-0.2%
MJ Managers	0.08%	0.12%	0.12%	0.37%	0.36%			

ACCOUNT	AMOUNT	ALLOCATION
U.S./GLOBAL EQUITY	\$ 5,597,106,205	56.2%
LARGE CAP	\$1,737,992,238	17.4%
Mellon S&P 500	\$1,302,998,233	13.1%
Tukman	\$267,370,167	2.7%
Peregrine	\$167,623,839	1.7%
SMALL CAP	\$1,038,192,074	10.4%
Mellon Midcap	\$188,530,940	1.9%
Mellon R2000	\$141,954,283	1.4%
Mountain Pacific	\$301,718,681	3.0%
TCW Dom.	\$183,139,219	1.8%
D. Smith	\$222,848,951	2.2%
GLOBAL	\$ 1,949,557,410	19.6%
Barings	\$290,687,145	2.9%
Bernstein Gl.	\$296,522,162	3.0%
Cap Guardian	\$371,508,940	3.7%
Brandes	\$565,227,667	5.7%
Zeisiger (Public)	\$425,611,496	4.3%
PRIVATE EQUITY	\$ 342,842,892	3.4%
REAL ESTATE	\$528,521,590	5.3%
Private Real Estate	\$208,707,175	2.1%
Adelante	\$319,814,416	3.2%
INTERNATIONAL EQUITY	\$ 1,566,832,916	15.7%
Mellon Index	\$380,991,313	3.8%
Rowe Price	\$280,345,931	2.8%
Mondrian	\$305,708,701	3.1%
Genesis	\$306,725,001	3.1%
Bernstein Emg.	\$292,820,825	2.9%
Pareto Partners	\$241,144	0.0%
FIXED INCOME	\$2,769,607,699	27.8%
State Street	\$647,283,617	6.5%
Barings	\$221,405,147	2.2%
Western	\$213,192,975	2.1%
Fidelity	\$211,665,150	2.1%
DBF MBS	\$152,471,262	1.5%
Idaho Mortgage	\$292,283,510	2.9%
Clearwater	\$159,104,520	1.6%
Bridgewater	\$263,477,608	2.6%
TIPS	\$608,723,908	6.1%
CASH AND OTHER	\$ 28,317,294	0.3%
TOTAL	\$ 9,961,864,114	

TOTAL FUND ALLOCATIONS
By Manager Benchmark



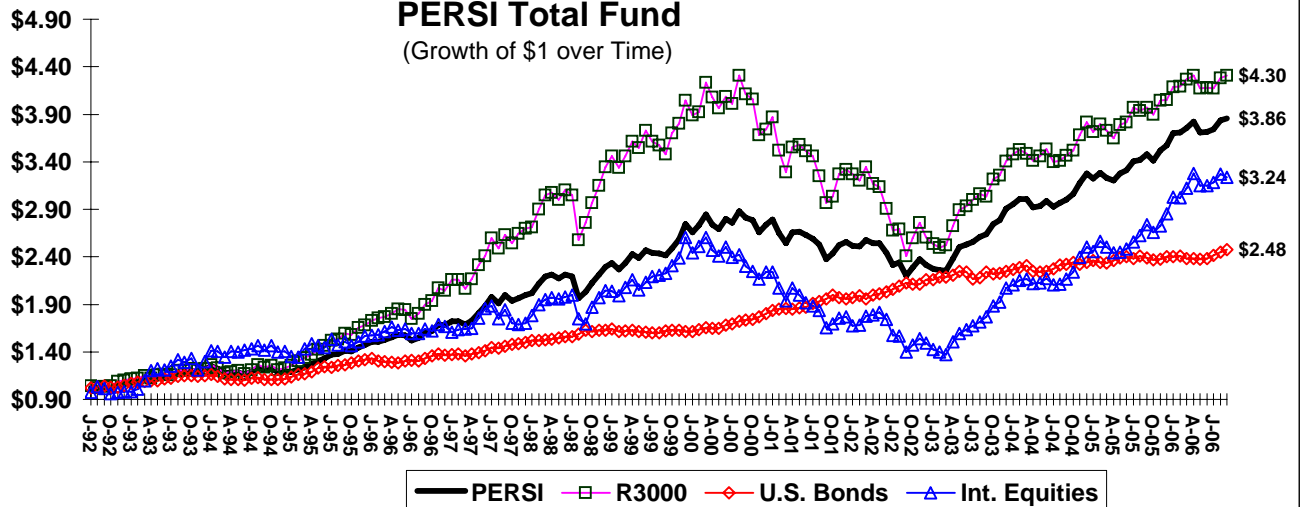
TOTAL FUND ALLOCATIONS
As Invested

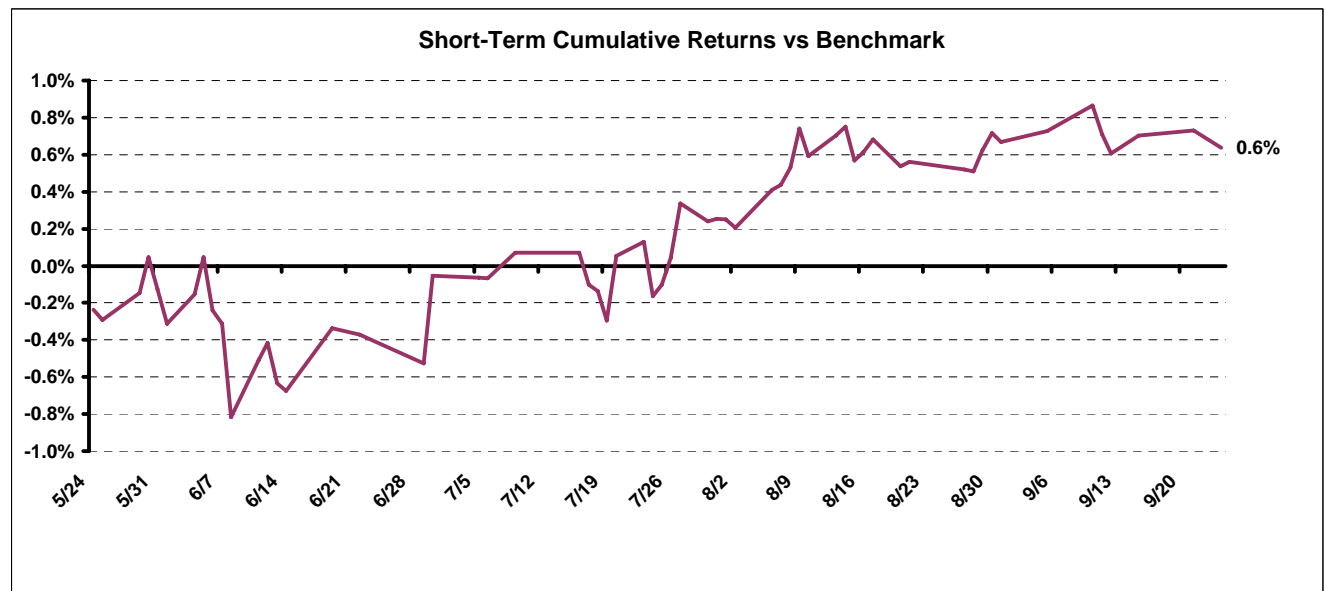
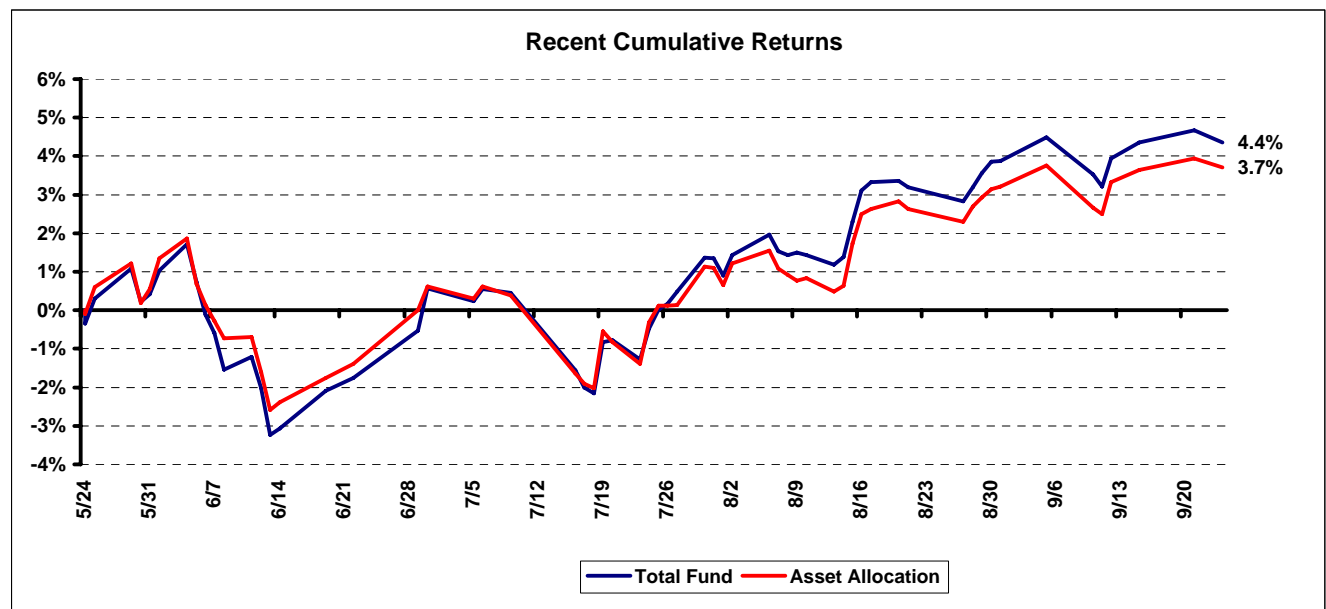
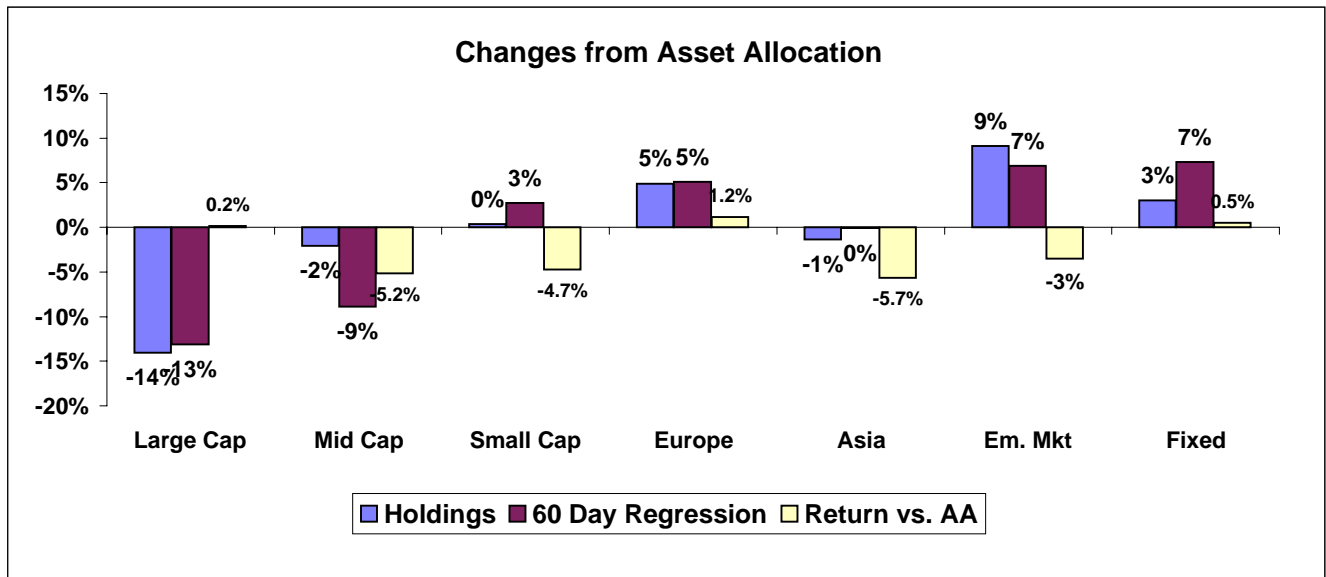


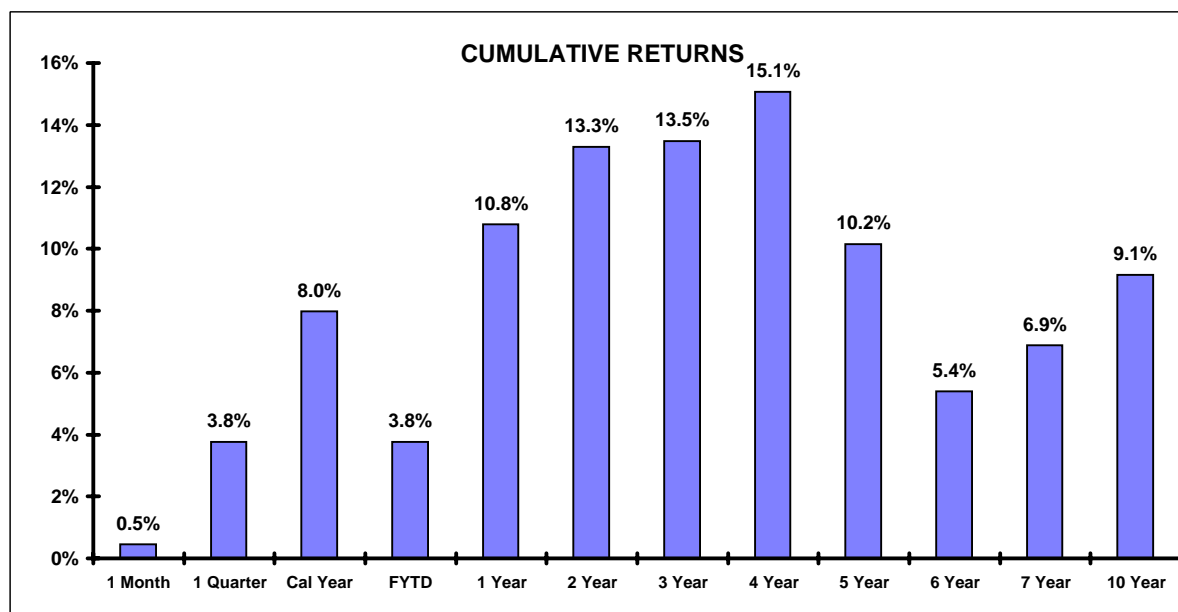
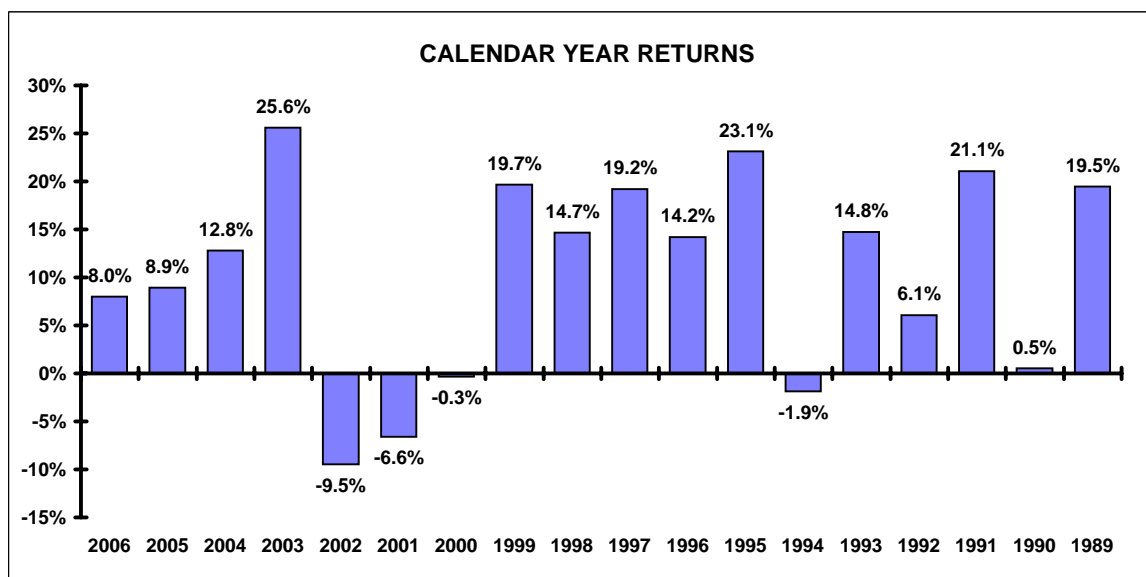
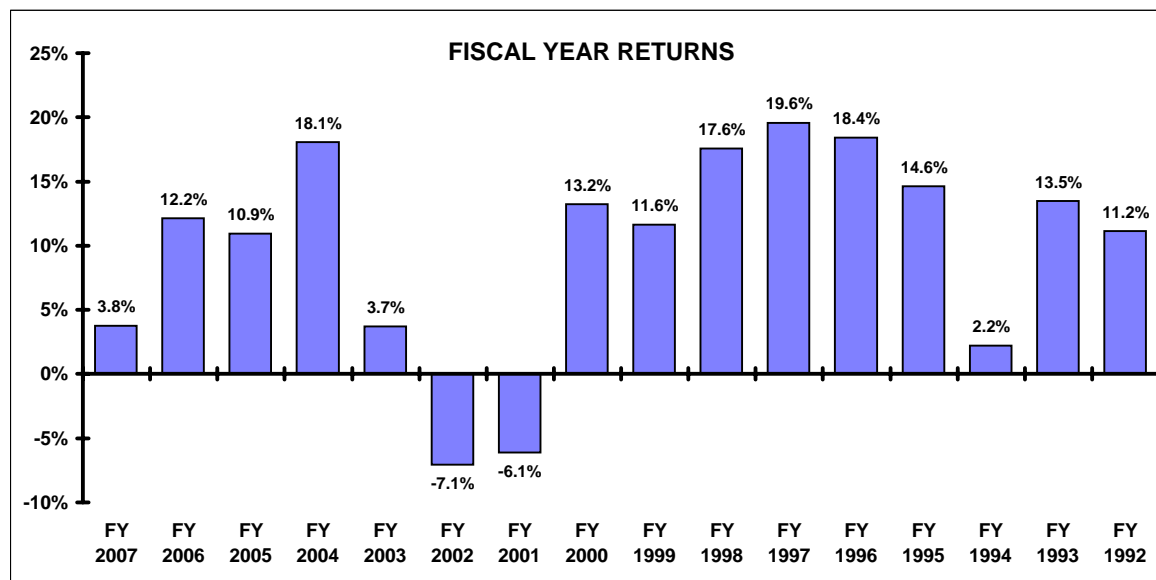
CUMULATIVE RETURN VS. BENCHMARKS

PERSI Total Fund

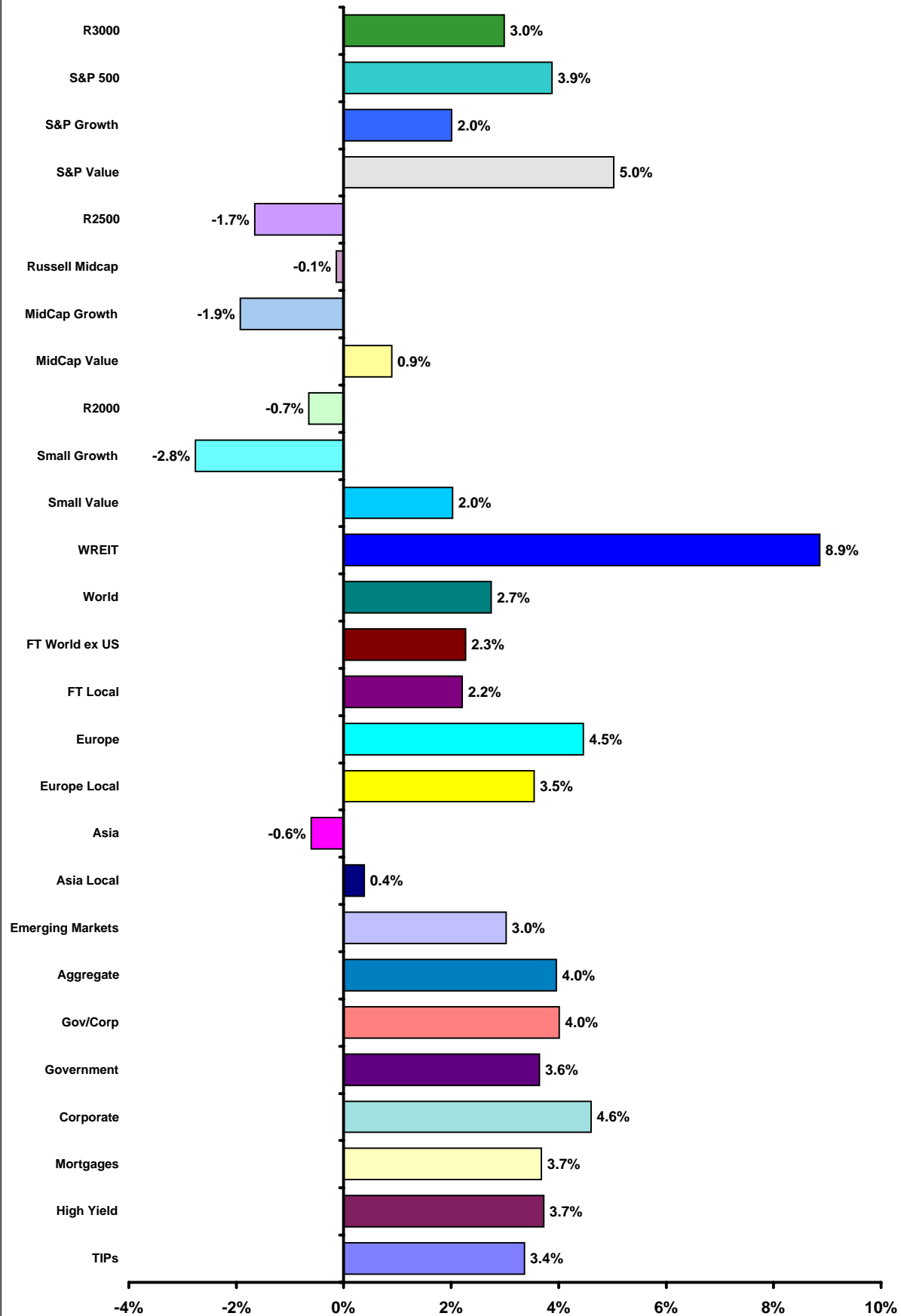
(Growth of \$1 over Time)



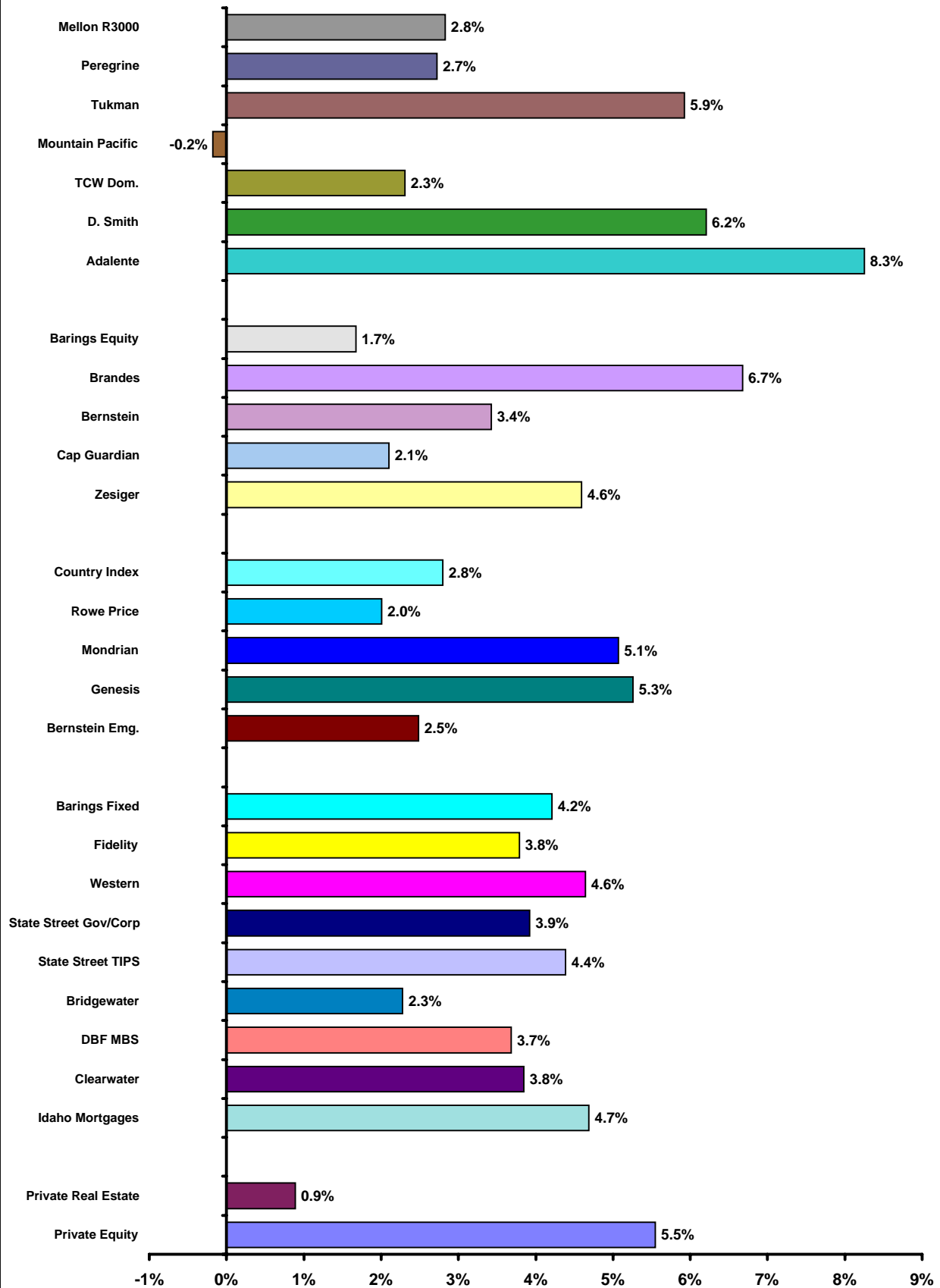




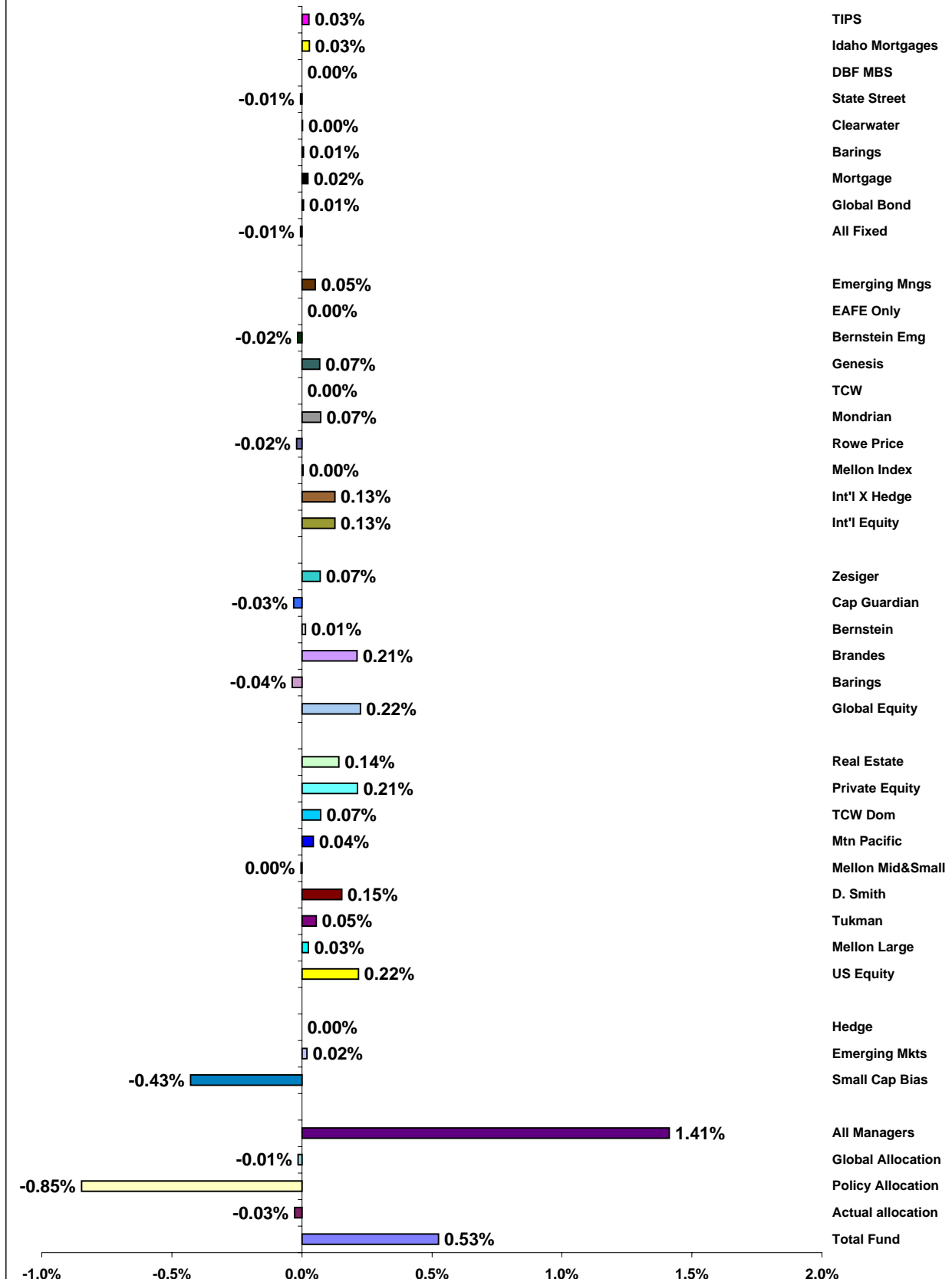
FYTD Benchmark Returns

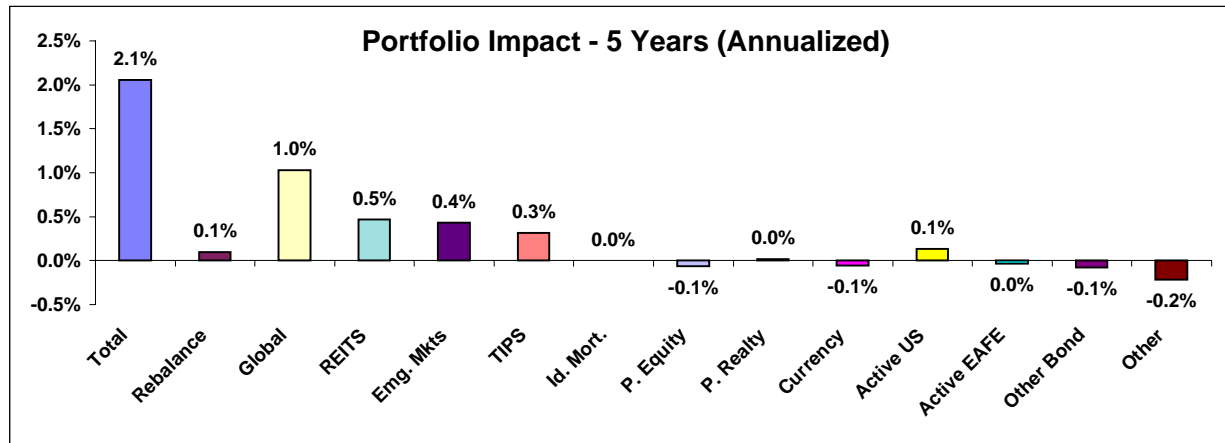
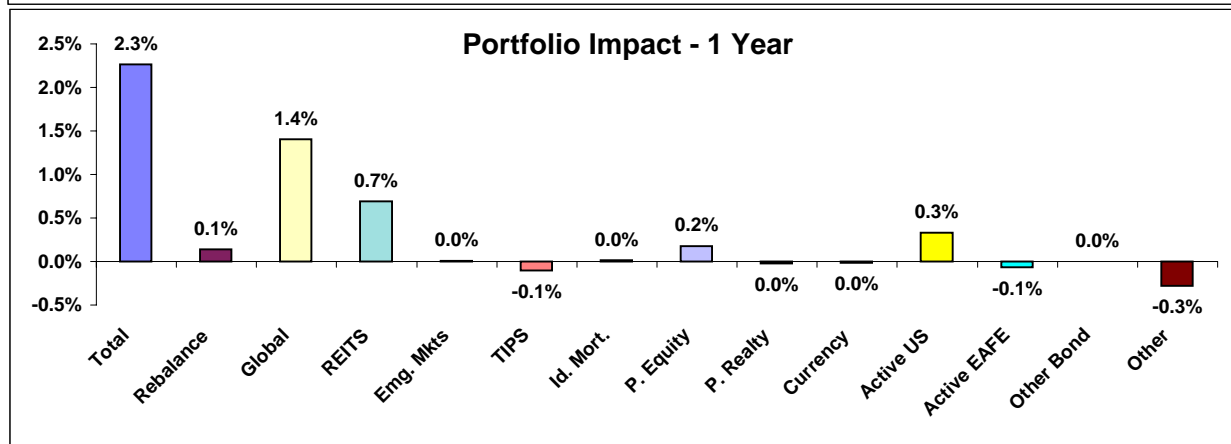
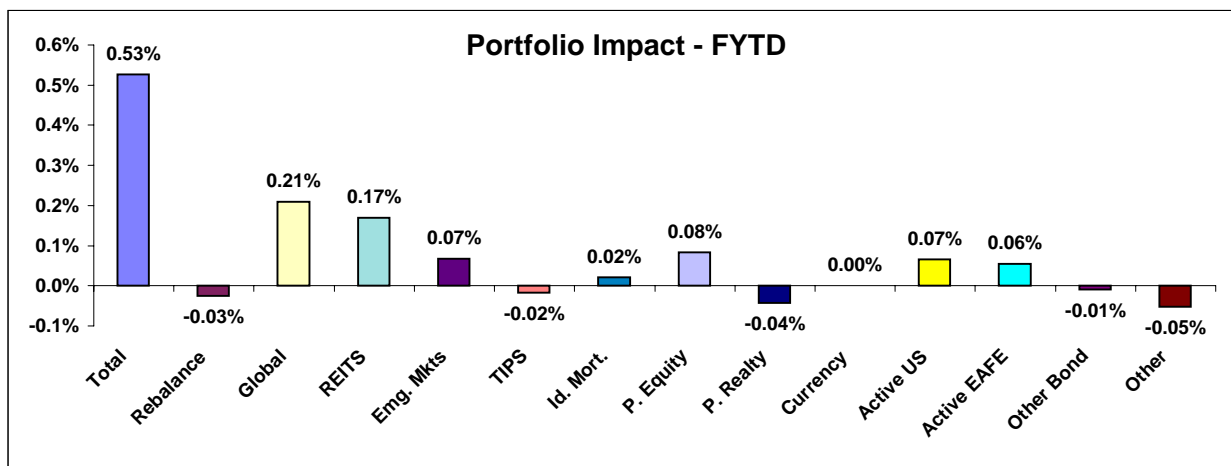
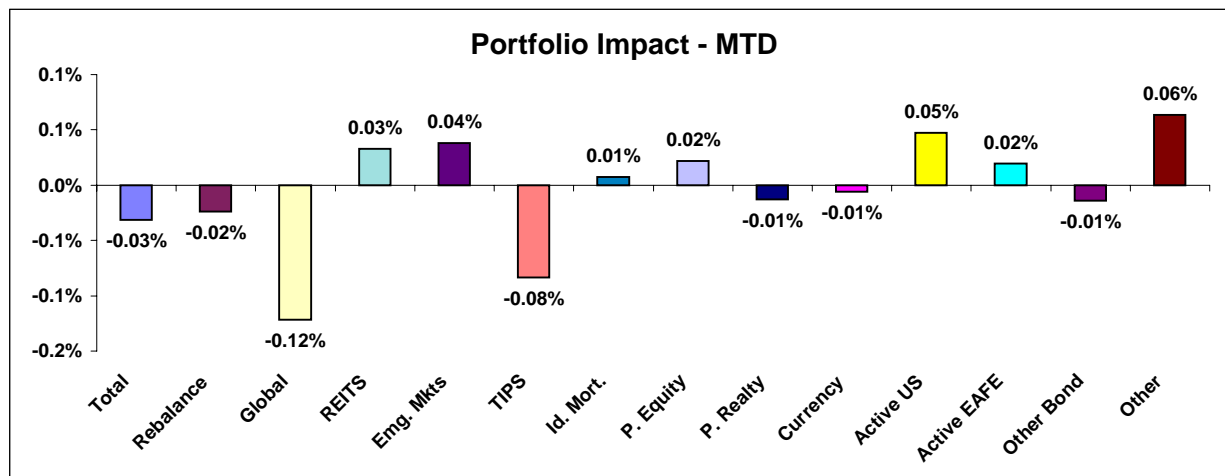


Fiscal Year to Date Returns



Weighted Excess Return - FYTD





LARGEST PUBLIC HOLDINGS

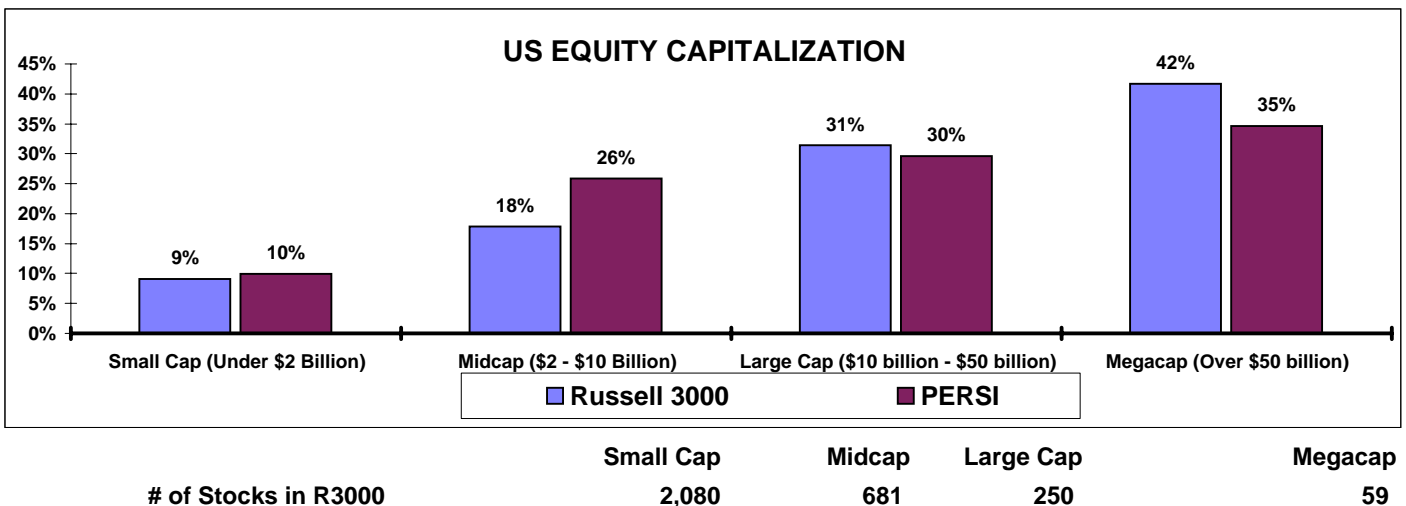
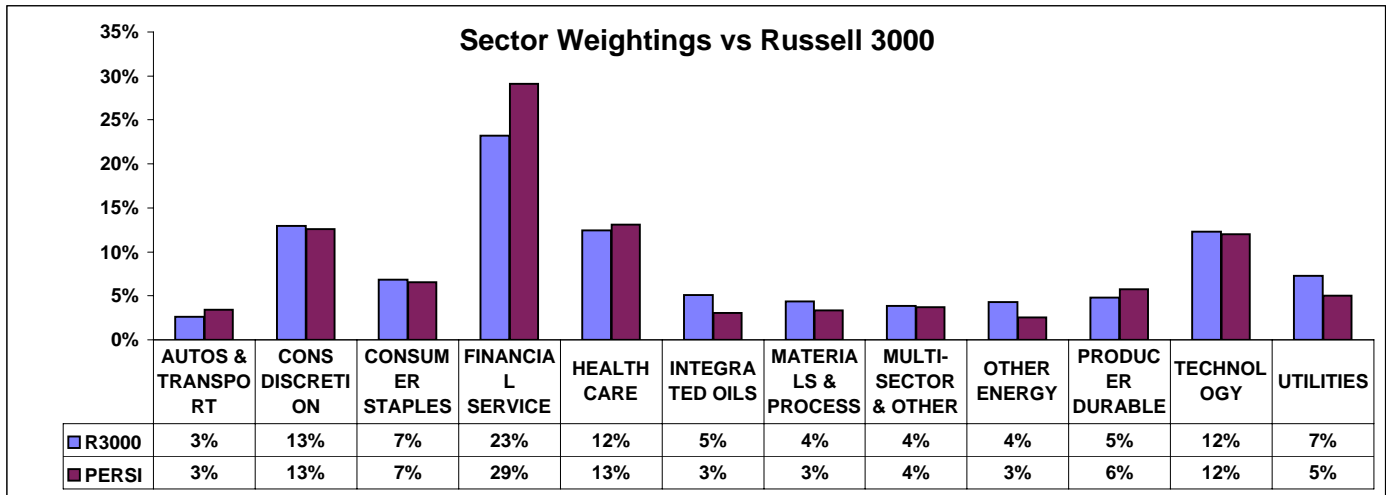
TOTAL FUND		ACTIVE MANAGERS			
ISSUE NAME	%	Manager	Amount	Holding	%
US TREAS-CPI INFLATION INDEX	7.7%	Tukman	\$ 22,941,950	WELLS FARGO & CO NEW COM	8.7%
PERSI STIF	3.9%	D. Smith	\$ 23,332,500	AIR FRANCE-KLM ADR	10.7%
IDAHO MORTGAGES-FSB	3.0%	Mtn. Pacific	\$ 12,263,650	DANAHER CORP COM	4.1%
COMMIT TO PUR FNMA SF MTG	2.3%	Lend Lease	\$ 43,264,235	VORNADO RLTY TR COM	13.7%
U S TREASURY NOTES	2.2%	TCW Domestic	\$ 5,018,832	ANALOG DEVICES INC COM	2.8%
U S TREASURY BONDS	1.3%	Barings Equity	\$ 7,398,361	EXXON MOBIL CORP	2.5%
KOLL-PERS LLC	1.2%	Brandes	\$ 17,610,386	NESTLE SA CHF1 (REGD)	3.2%
US TREAS-CPI INFLAT	1.2%	Cap Guardian	\$ 7,031,762	ASTRAZENECA ORD USD0.25	1.9%
GENERAL ELEC CO COM	0.8%	Bernstein Gbl	\$ 8,398,408	ING GROEP N.V. CVA EUR0.24	2.9%
MICROSOFT CORP COM	0.6%	Zesiger	\$ 12,247,273	BUMRUNGRAD HOSPITAL CO	2.9%
COMMIT TO PUR FHLMC GOLD SFM	0.6%				
EXXON MOBIL CORP	0.6%	Rowe Price	\$ 5,583,668	ROYAL DUTCH SHELL 'B' SHS	2.0%
IBM CORP COM	0.5%	Mondrian	\$ 10,744,859	BANCA INTESA SPA EUR0.52	3.5%
BWATER SHORT TERM LLC	0.5%	Genesis	\$ 12,061,421	TELEKOMUNIKASI INDONESIA (PERS	4.0%
VORNADO RLTY TR COM	0.5%	Bernstein Emg.	\$ 10,115,652	PETROCHINA CO 'H' CNY1	3.5%
JOHNSON & JOHNSON COM	0.5%				
AMERICAN INTL GROUP INC COM	0.5%	Barings Fixed	\$ 30,023,427	U S TREASURY BONDS	11.0%
PFIZER INC COM STK USD0.05	0.5%	X Governments	\$ 30,023,427	U S TREASURY BONDS	11.0%
GOLDMAN SACHS GROUP INC COM	0.5%	State Street	\$ 11,662,500	U S TREASURY NOTES	1.8%
CITIGROUP INC COM	0.4%	X Governments	\$ 11,662,500	U S TREASURY NOTES	1.8%
WELLS FARGO & CO NEW COM	0.4%	DBF MBS	\$ 6,922,905	FHLMC POOL #G0-8106	4.6%
OLYMPIC/IDA FUND II LLC	0.4%				
FEDERAL NATL MTG ASSN DEBS	0.4%				
ALTRIA GROUP INC	0.4%				
JPMORGAN CHASE & CO COM	0.4%				
PROCTER & GAMBLE CO COM	0.4%				
WAL MART STORES INC COM	0.4%				
INTEL CORP	0.4%				
BANK OF AMERICA CORP	0.4%				
GENERAL MTRS CORP COM	0.3%				
T3 PARTNERS II	0.3%				
PEPSICO INC COM	0.3%				
AVALONBAY CMNTYS INC COM	0.3%	Total Top 36	34.7%		
GLAXOSMITHKLINE ORD GBP0.25	0.3%				
UK REPO	0.3%				
COMMIT TO PUR GNMA SF MTG	0.3%				

Domestic Equity Characteristics

(Red Growth, Blue Value)

PERSI Russell 3000 Tukman D. Smith Mt. Pac. TCW Dom

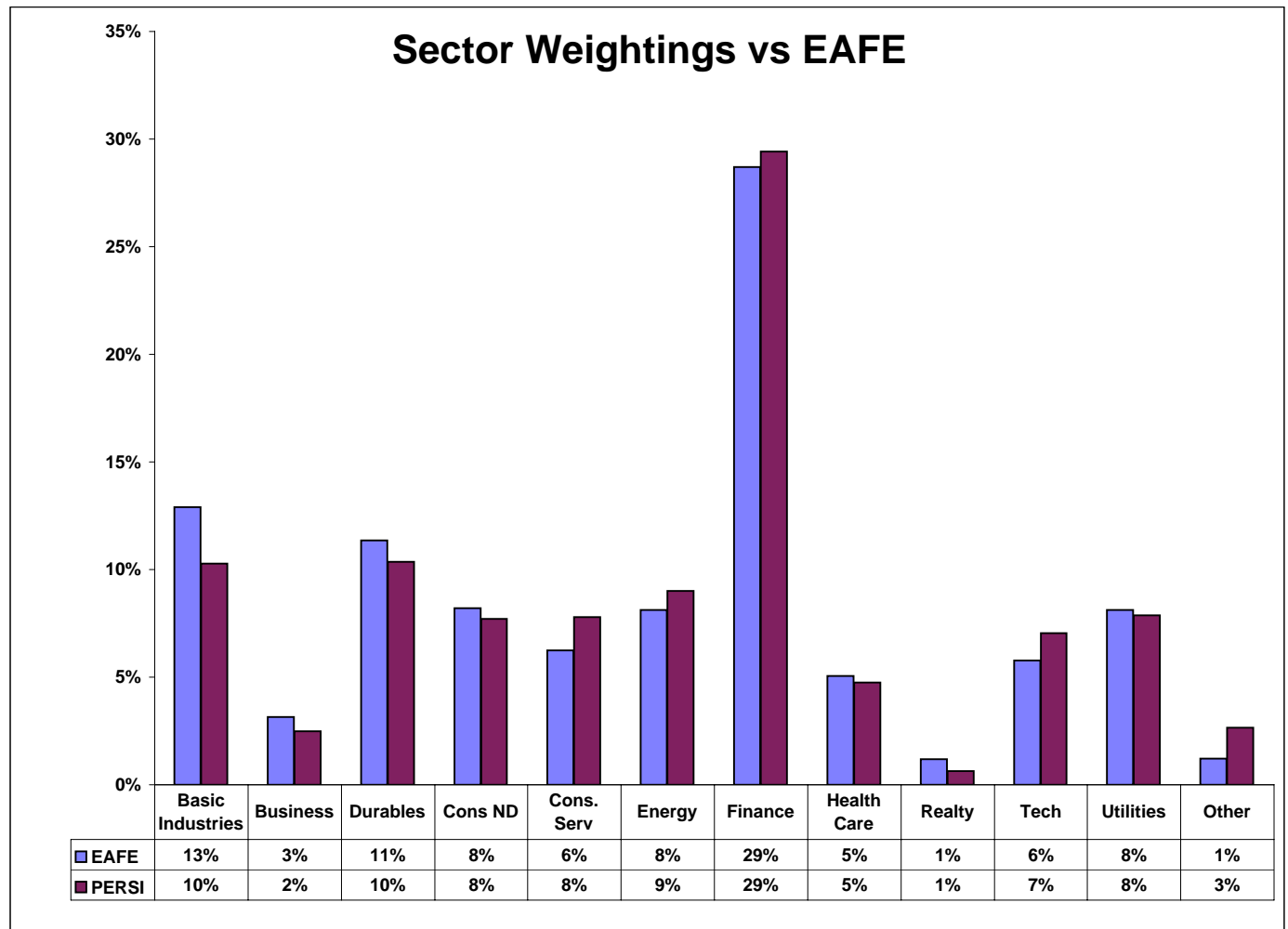
U.S. Av. Market Cap	\$ 62,324,796	\$ 75,522,829	\$ 139,502,552	\$ 5,250,908	\$ 7,224,353	\$ 5,408,861
U.S. Dividend Yield	1.7%	1.8%	2.0%	1.1%	0.9%	1.1%
U.S. P/E (trailing)	19.4	17.5	16.9	21.3	20.6	22.3
U.S. P/E ex Neg	18.6	17.1	16.9	13.8	20.0	20.2
US P/E 5 year Average	25.1	21.8	19.6	493.8	21.2	37.7
Forecast 1 YR PE	15.4	14.8	14.9	13.1	17.3	16.6
U.S. Price/Book Value	2.6	2.7	3.3	1.1	3.3	2.2
Price/Cash	13.7	12.3	13.0	9.5	15.6	14.0
Return on Assets	6.4%	7.1%	8.0%	0.8%	8.3%	5.3%
Return on Equity	18.7%	20.5%	26.4%	2.7%	19.9%	12.1%
Return on Equity (5 YR)	16.2%	17.7%	23.3%	-0.8%	20.1%	11.0%
Earning Growth 5 Yr	13.9%	16.6%	13.2%	-3.8%	19.3%	15.6%
Earnings Growth 10 Yr	9.8%	10.8%	11.3%	-6.5%	15.7%	9.3%
Forecast Earn Growth 1 Yr	20.6%	15.5%	13.8%	5.4%	15.8%	21.3%
Forecast LT Growth (med)	12.0%	12.4%	11.0%	11.8%	13.4%	13.6%
# Holdings	3069	3051	16	17	50	55



International Equity Characteristics

(Red Growth, Blue Value)

	PERSI	EAFE	Rowe	Mondrian	Genesis	Bern. Emg
<i>Price/Book</i>		2.3	2.8	2.3	2.2	1.7
<i>Price Earnings</i>	14	16	17	13	14	8
<i>P/E 5 Yr Average</i>	17	23	24	16	12	9
<i>P/E X Neg</i>	12	15	17	13	13	8
<i>Next Year P/E</i>	12	13.9	15	13	12	9
<i>Dividend Yield</i>	2.4%	2.6%	1.9%	3.9%	1.9%	2.7%
<i>ROA</i>	7.3%	6.8%	7.2%	7.6%	10.6%	10.2%
<i>ROE</i>	21.4%	20.1%	22.4%	23.5%	26.6%	26.1%
<i>ROE 5 Year Average</i>	15.4%	13.9%	13.9%	18.3%	20.9%	20.0%
<i>Debt/Capital</i>	0%	0%	0%	0%	0%	0%
<i>Forecast Ern. Grwth 1 Yr</i>		5.9%	10.1%	6.7%	13.9%	
<i>Median LT Growth</i>	11.3%	9.2%	11.6%	8.0%	14.0%	10.6%
<i>Av LT Growth</i>	11.7%	11.4%	12.1%	6.8%	14.6%	10.4%
<i>St Dev LT Growth</i>	13.8%	14.0%	9.3%	6.1%	13.5%	22.9%
<i># Holdings</i>	1477	1171	127	53	111	91
<i>Market Cap</i>	\$ 44,972,612	\$ 58,585,291	\$ 43,405,734	\$ 65,536,224	\$ 15,187,564	\$ 25,099,685



GLOBAL EQUITY CHARACTERISTICS

World

	<i>PERSI</i>	<i>50/50 Index</i>	<i>Barings</i>	<i>Brandes</i>	<i>Cap Guard</i>	<i>Bernstein</i>	<i>Zesiger</i>
<i>Price/Book</i>	2.4	2.5	2.8	2.2	2.5	1.9	2.0
<i>Price Earnings</i>	16.9	16.7	16.7	17.8	19.8	13.6	19.5
<i>P/E 5 Yr Average</i>	21.8	22.5	18.4	49.0	26.1	17.8	36.1
<i>P/E X Neg</i>	15.8	15.9	15.1	15.9	16.8	12.2	15.2
<i>Next Year P/E</i>	14.1	14.3	13.8	15.1	14.8	11.2	13.0
<i>Dividend Yield</i>	2.0%	2.2%	1.7%	2.5%	1.8%	2.3%	1.3%
<i>ROA</i>	6.8%	7.0%	7.0%	5.6%	6.9%	5.2%	5.1%
<i>ROE</i>	19.8%	20.3%	23.9%	19.3%	19.2%	18.3%	14.2%
<i>ROE 5 Year Average</i>	15.8%	15.8%	18.7%	13.6%	14.2%	13.2%	12.0%
<i>Forecast 1 Yr Growth</i>	12.2%	10.9%	9.0%	5.4%	14.1%	8.8%	16.6%
<i>Median LT Growth</i>	11.7%	10.8%	12.9%	8.8%	12.0%	9.8%	18.8%
<i>Av LT Growth</i>	12.8%	13.3%	12.6%	10.2%	12.6%	9.1%	12.2%
<i>St Dev LT Growth</i>	12.4%	12.6%	9.3%	10.7%	11.6%	7.8%	14.5%
<i># Holdings</i>	4546	2,080	85	78	253	79	65
<i>Market Cap</i>	\$ 54,956,979	\$ 67,054,060	\$ 59,468,775	\$ 59,750,677	\$ 63,376,731	\$ 72,253,002	\$ 27,998,245
<i>% US Holdings</i>	58%	50%	32%	48%	40%	34%	54%

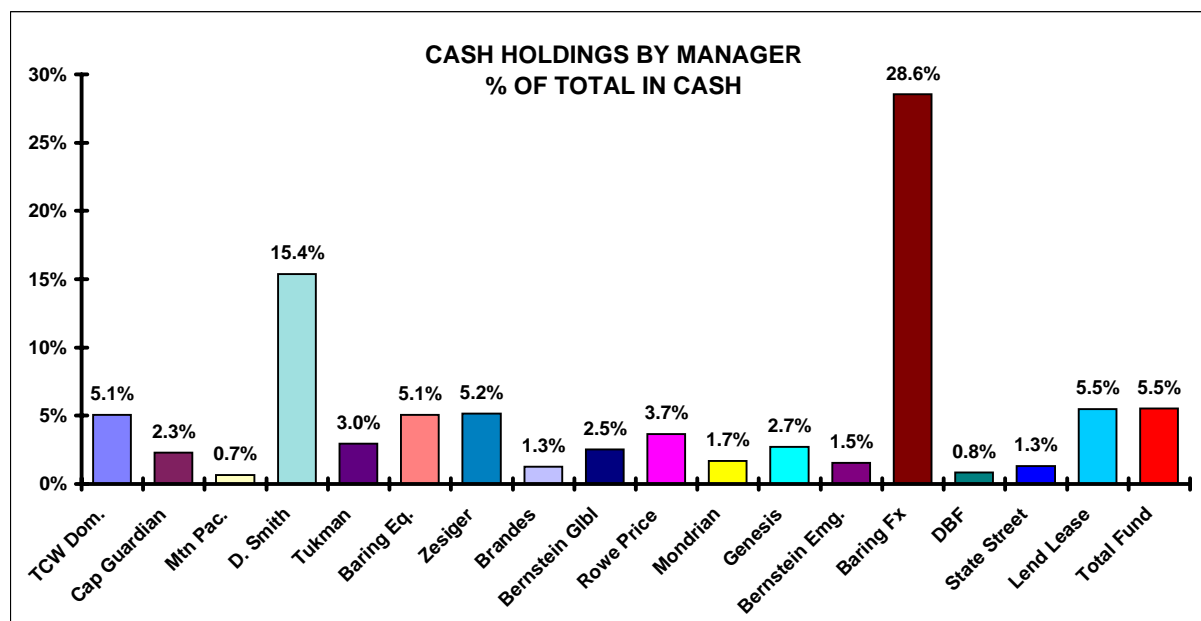
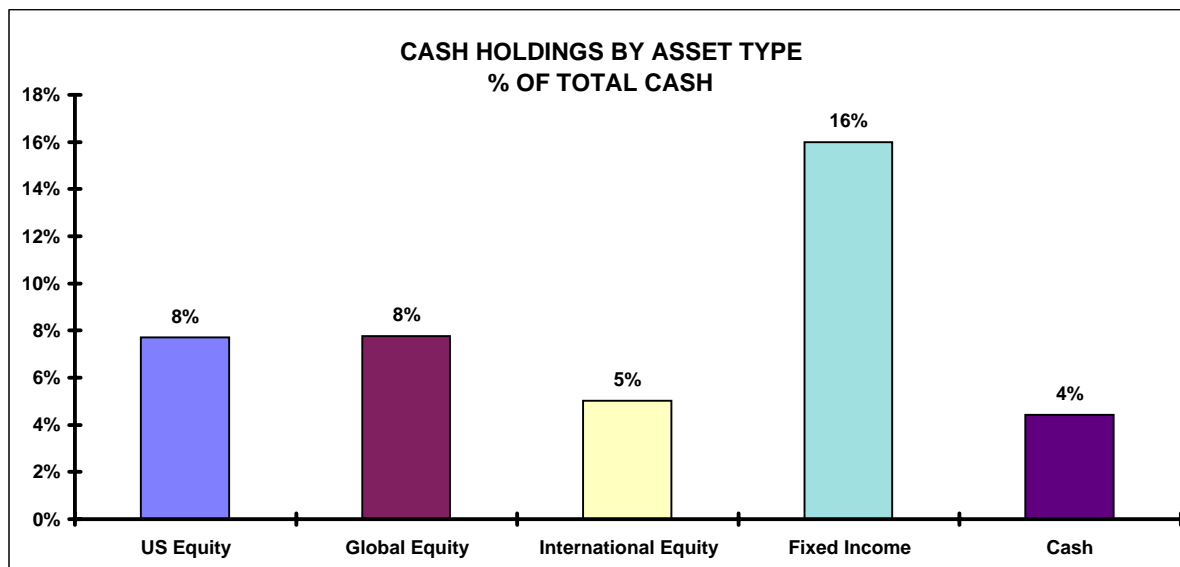
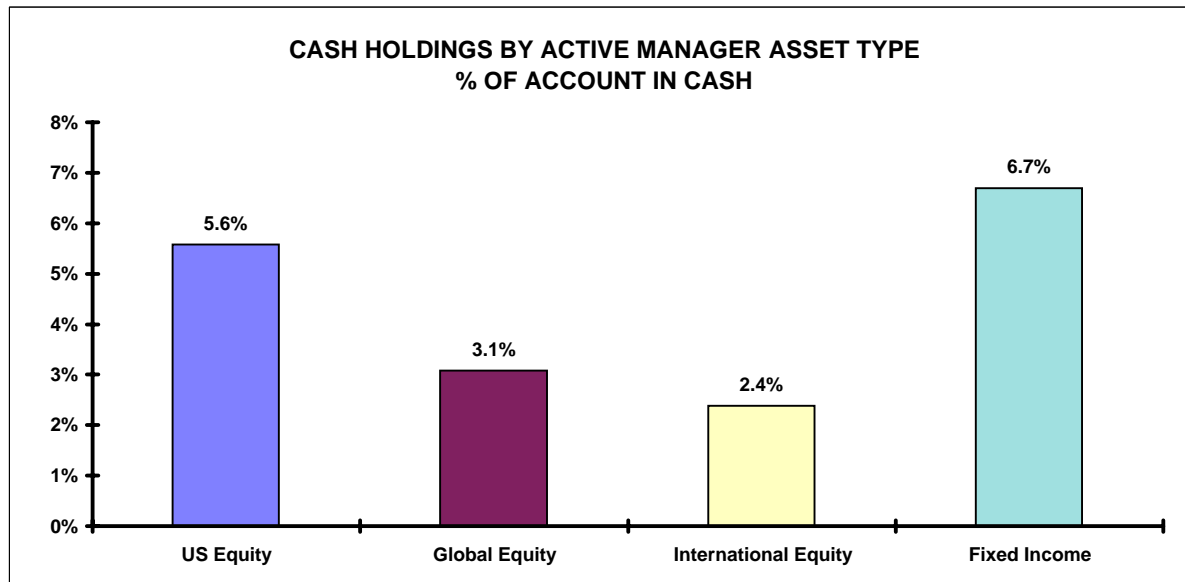
Domestic

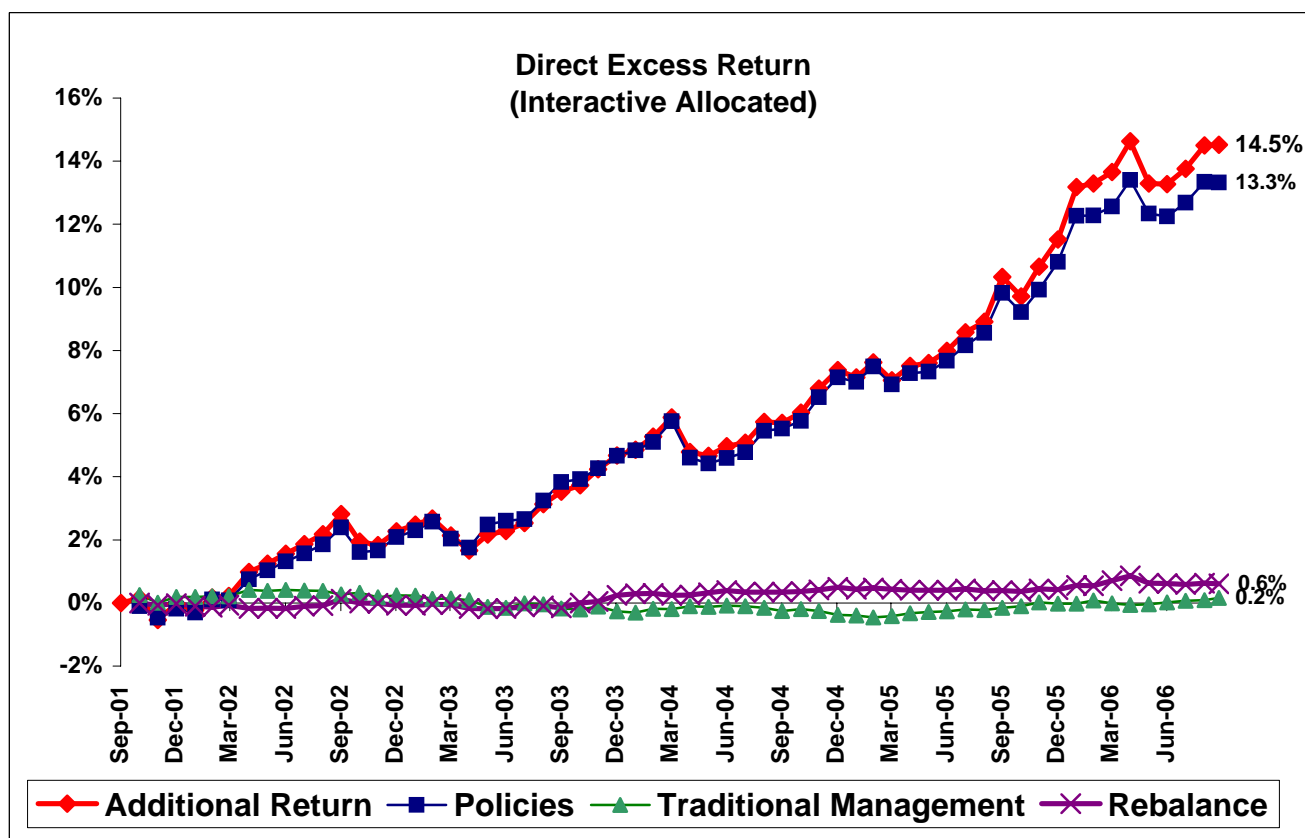
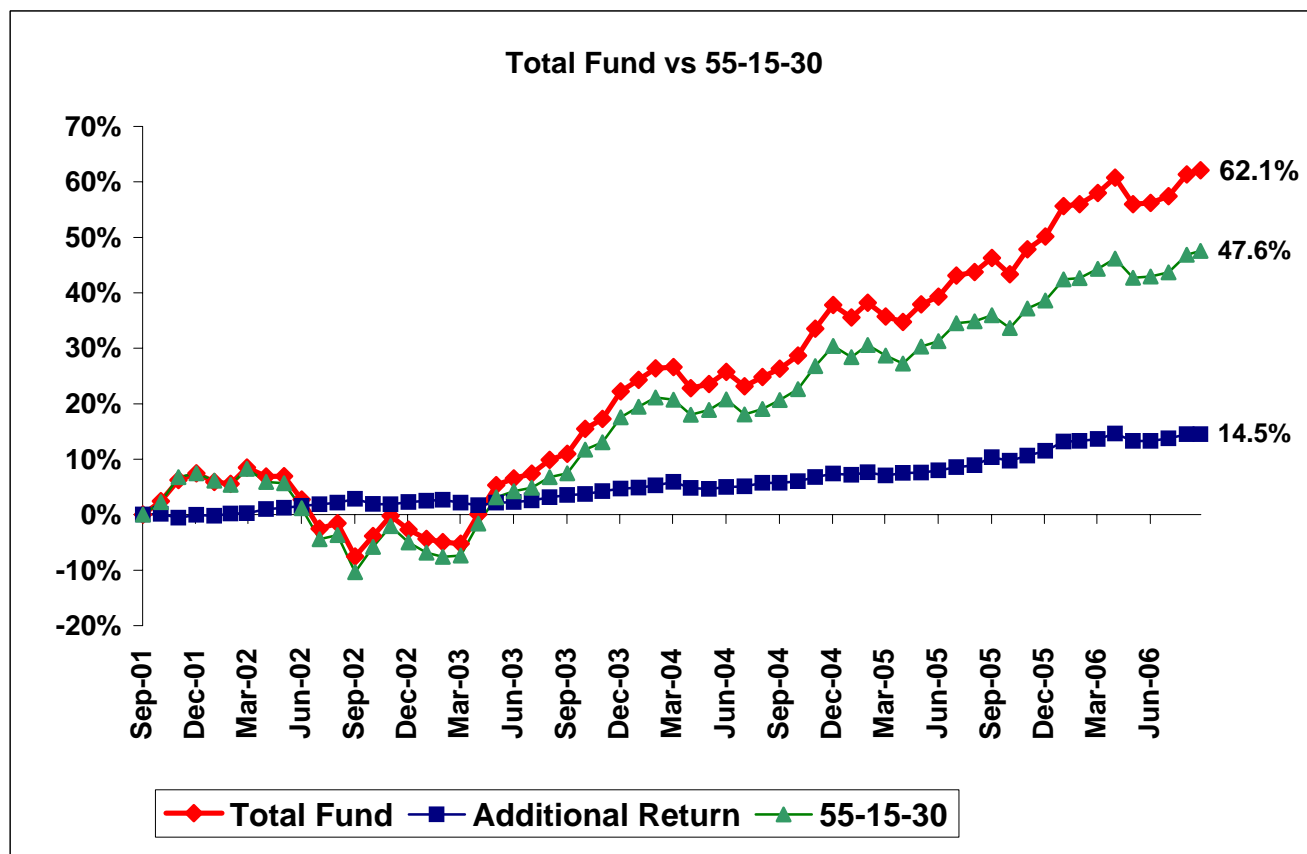
	<i>Peregrine</i>	<i>Russell 3000</i>	<i>Barings</i>	<i>Brandes</i>	<i>Cap Guard</i>	<i>Bernstein</i>	<i>Zesiger</i>
<i>U.S. Av. Market Cap</i>	\$ 73,716,048	\$ 75,522,829	\$ 102,217,202	\$ 66,735,043	\$ 75,753,996	\$ 107,979,630	\$ 31,137,078
<i>U.S. Dividend Yield</i>	0.8%	1.8%	1.4%	2.2%	1.5%	2.2%	0.9%
<i>U.S. P/E (trailing)</i>	19.7	17.5	15.5	21.3	18.7	13.4	29.7
<i>U.S. P/E ex Neg</i>	19.7	17.1	15.0	17.6	18.0	14.5	23.2
<i>US P/E 5 yr Average</i>	25.8	21.8	16.6	42.1	24.4	19.4	493.8
<i>Forecast 1 YR PE</i>	16.7	14.8	14.3	16.2	15.4	12.4	17.1
<i>U.S. Price/Book Value</i>	3.7	2.7	3.1	2.5	2.7	2.0	2.7
<i>Price/Cash</i>	15.7	12.3	12.3	11.1	13.2	9.7	24.0
<i>Return on Assets</i>	9.9%	7.1%	8.6%	5.3%	7.4%	4.7%	2.8%
<i>Return on Equity</i>	22.7%	20.5%	27.8%	18.6%	21.0%	17.3%	10.2%
<i>Return on Equity (5 YR)</i>	17.8%	17.7%	22.9%	14.9%	17.8%	15.6%	7.2%
<i>Earning Growth 5 Yr</i>	24.3%	16.6%	22.2%	5.0%	16.9%	14.1%	-3.8%
<i>Earnings Growth 10 Yr</i>	18.4%	10.8%	14.7%	3.1%	13.9%	9.0%	-5.0%
<i>Forecast 1 Yr Growth</i>	18.2%	15.5%	5.1%	8.6%	17.3%	16.6%	36.0%
<i>Forecast LT Growth</i>	16.3%	12.4%	13.4%	9.0%	13.6%	10.1%	16.5%
<i># Holdings</i>	30	3051	27	30	94	27	36

FIXED INCOME PORTFOLIO

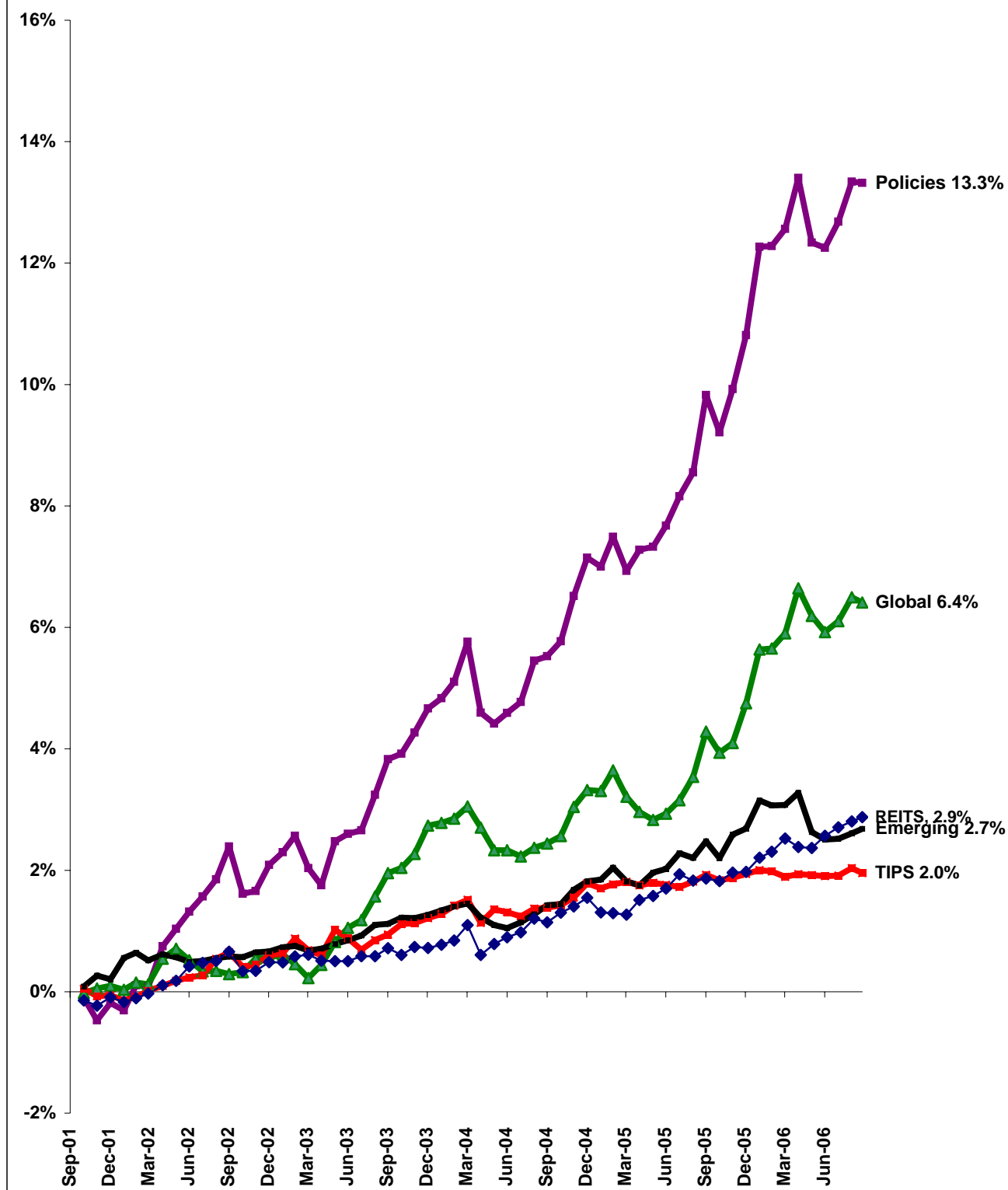
Market Value \$2,976,084,810 Holdings 2740

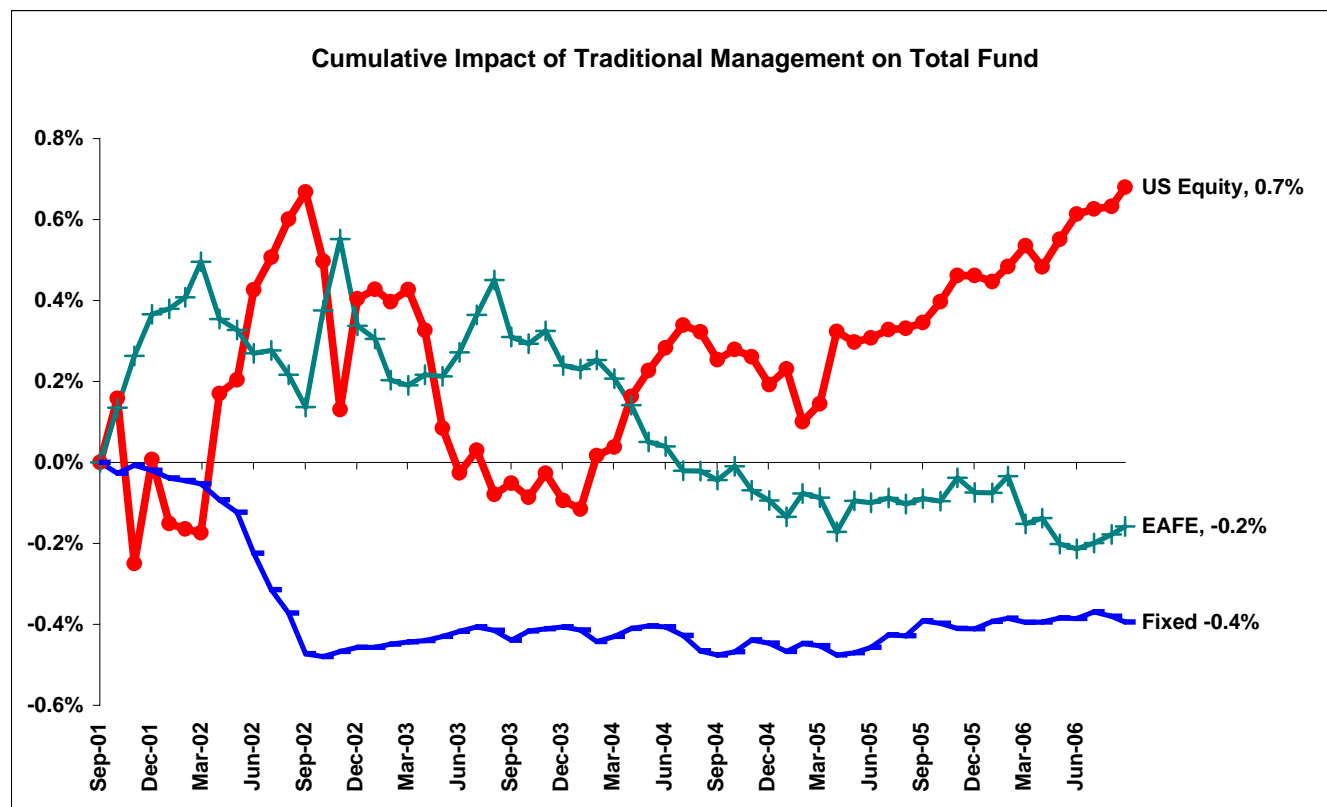
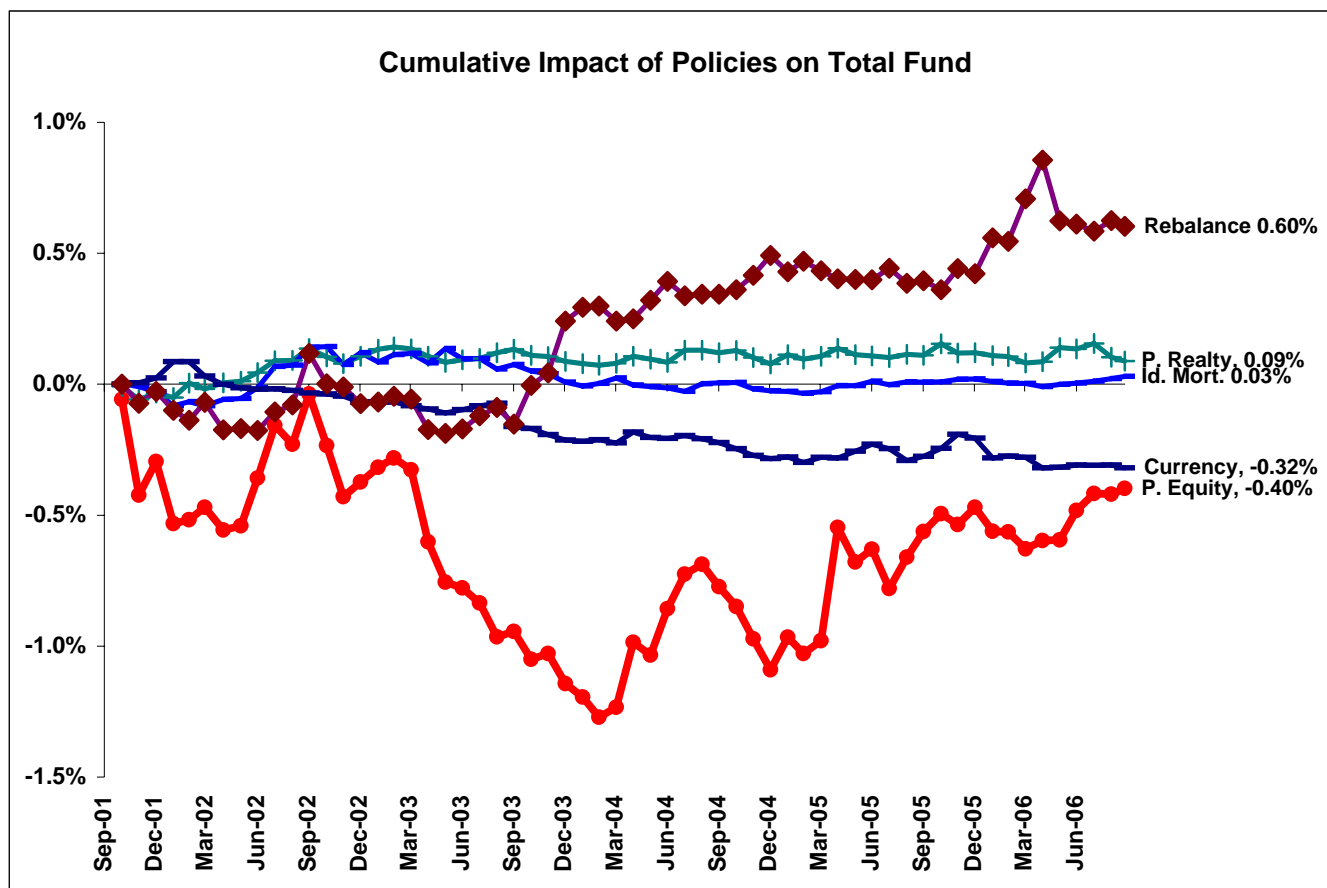
	ML Domestic	Barings	ML Gov/Corp	St. Street	ML Mort	DBF MBS
Coupon	5.5%	3.6%	5.5%	5.4%	5.4%	5.7%
Current Yield	5.3%	5.0%	5.1%	5.1%	5.6%	5.7%
Yield to Maturity	5.3%	44.1%	5.1%	5.4%	5.6%	6.0%
Modified Duration	5.0	4.5	5.2	5.1	4.6	4.8
Option Adj. Duration	5.0	5.4	5.1	5.0	4.6	3.9
Convexity	-0.1	0.4	0.5	0.5	-1.3	-1.1
Years to Maturity	7.4	10.5	7.8	7.5	6.2	24.2
Average Price	101.9	91.8	103.6	102.4	98.7	96.9
Moody Rating		AAA		AA1		AGY
Number of Holdings	4734	44	4449	1701	285	37
Market Value (Mill \$)	\$ -	\$ 218	\$ -	\$ 633	\$ -	\$ 151
	ML TIPS	TIPS	Custom Index	Total Fixed	Clear MBS	ML HY
Coupon	2.7%	3.6%	4.9%	4.2%	5.4%	8.0%
Current Yield	2.4%	3.1%	4.7%	4.7%	5.5%	8.4%
Yield to Maturity	2.4%	5.1%	4.7%	11.6%	5.6%	8.4%
Modified Duration	8.1	11.0	5.6	5.8	0.6	5.1
Option Adj. Duration	8.1	9.7		5.1	0.1	
Convexity		1.5		0.6	0.0	0.1
Years to Maturity	10.1	14.8	7.9	12.7	13.1	7.9
Average Price	103.2	113.6	102.2	88.9	63.0	97.6
Moody Rating		UST		AAA	AAA	
Number of Holdings	20	7		2740	13	1822
Market Value (Mill \$)	\$ -	\$ 605		\$ 2,976	\$ 157	\$ -

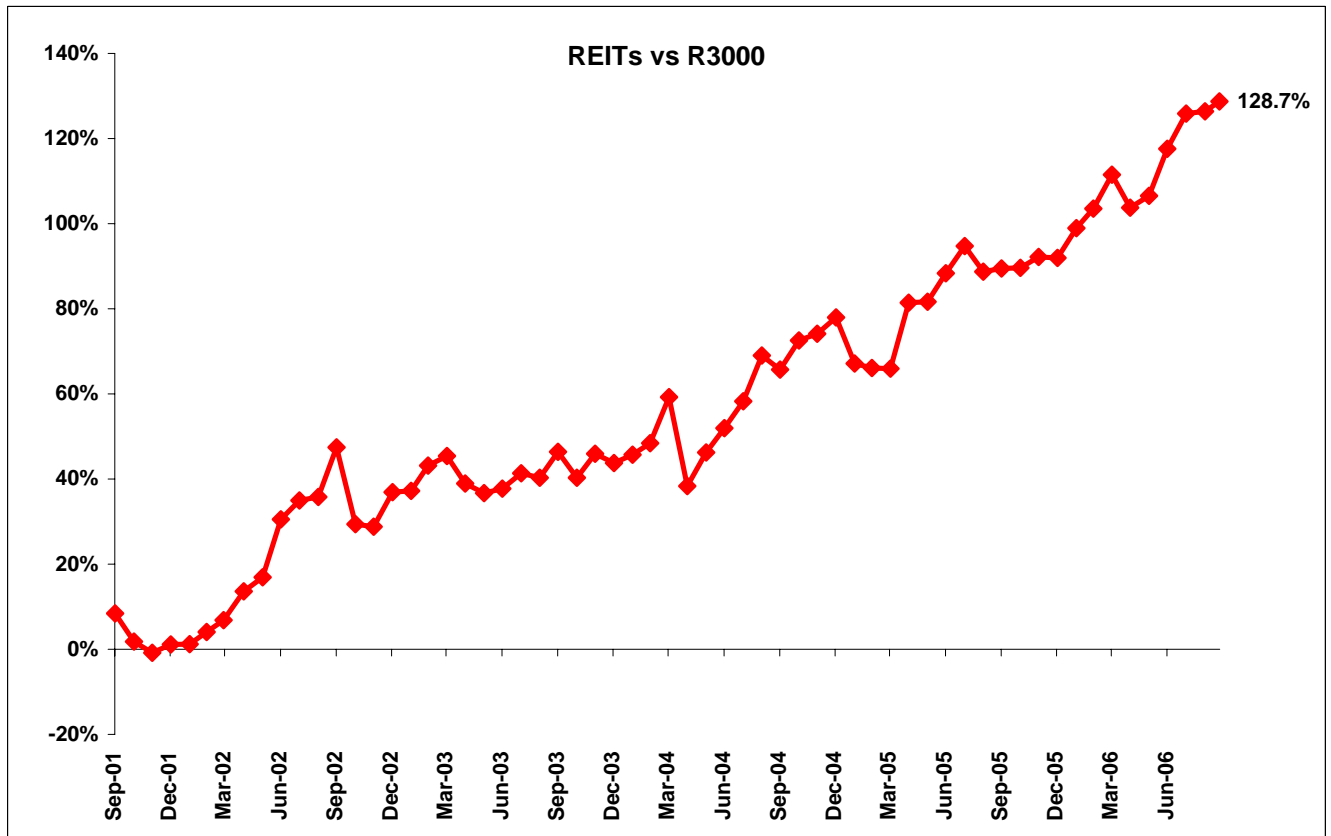


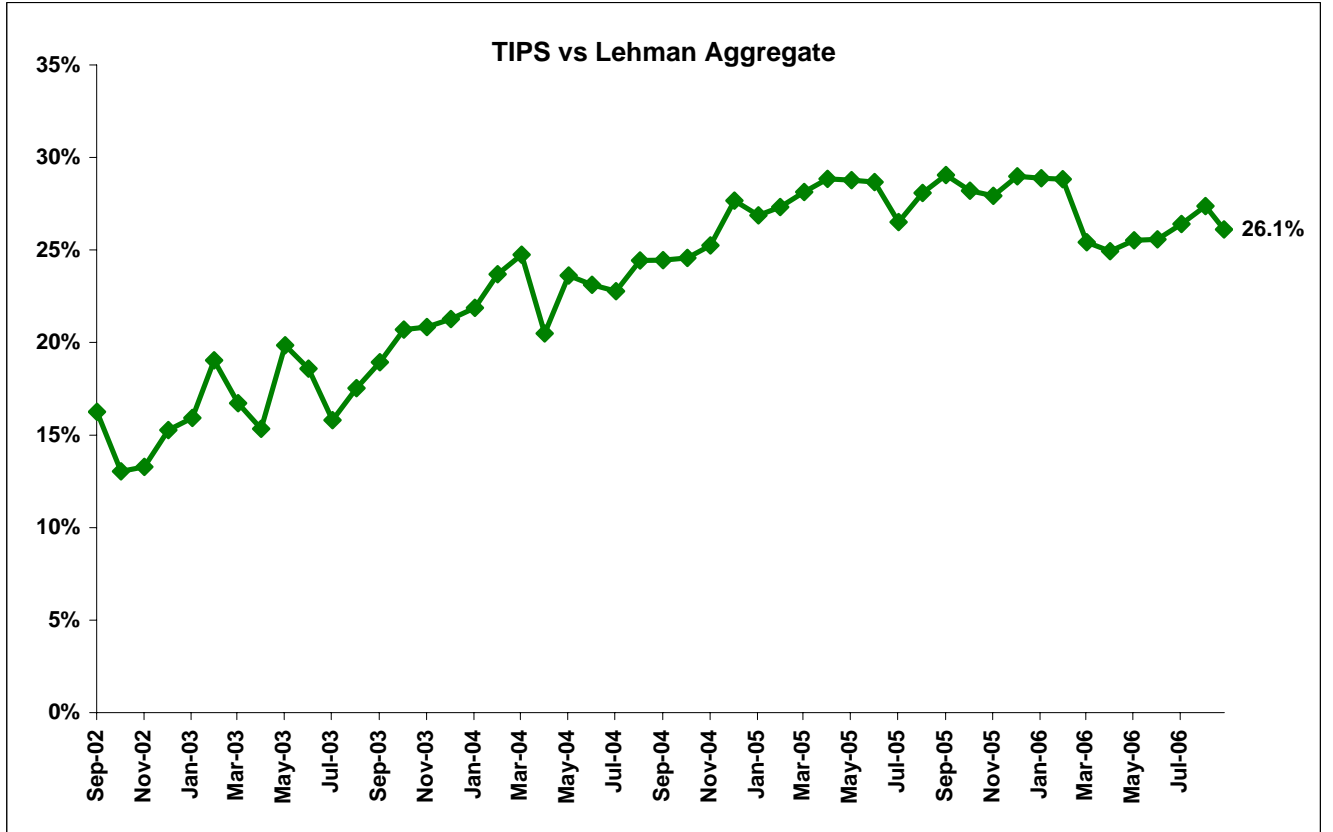
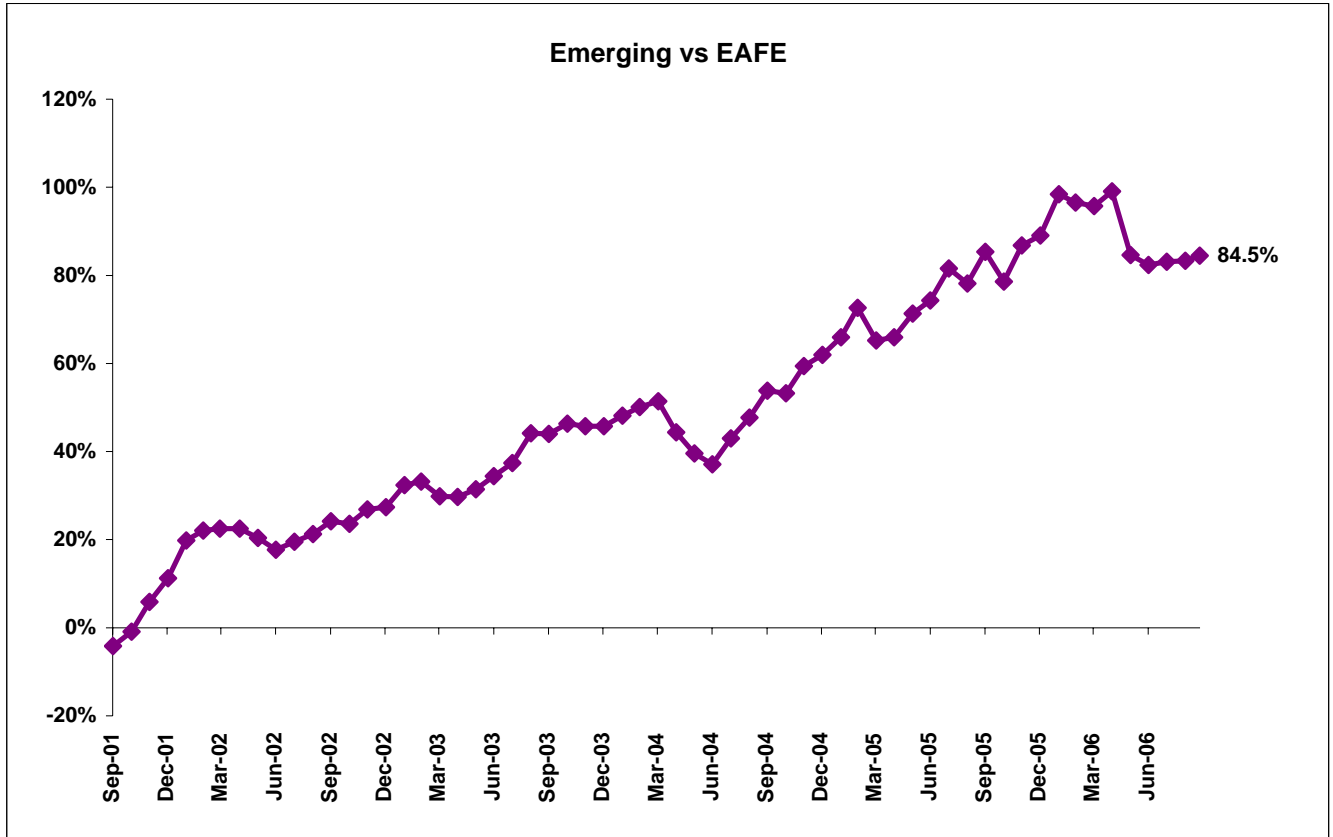


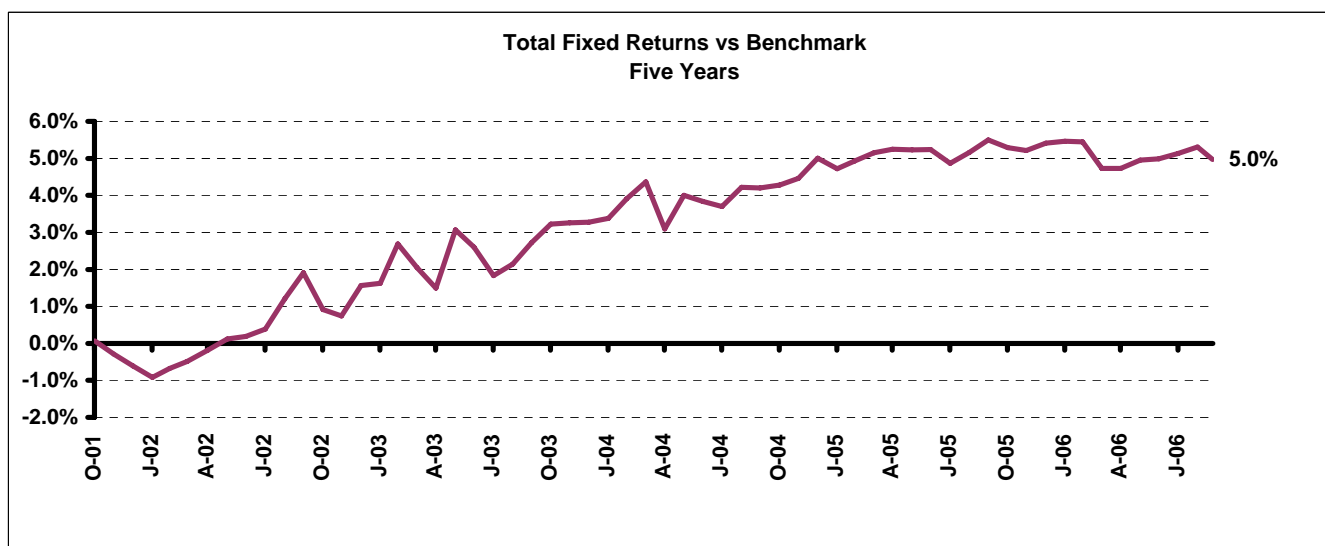
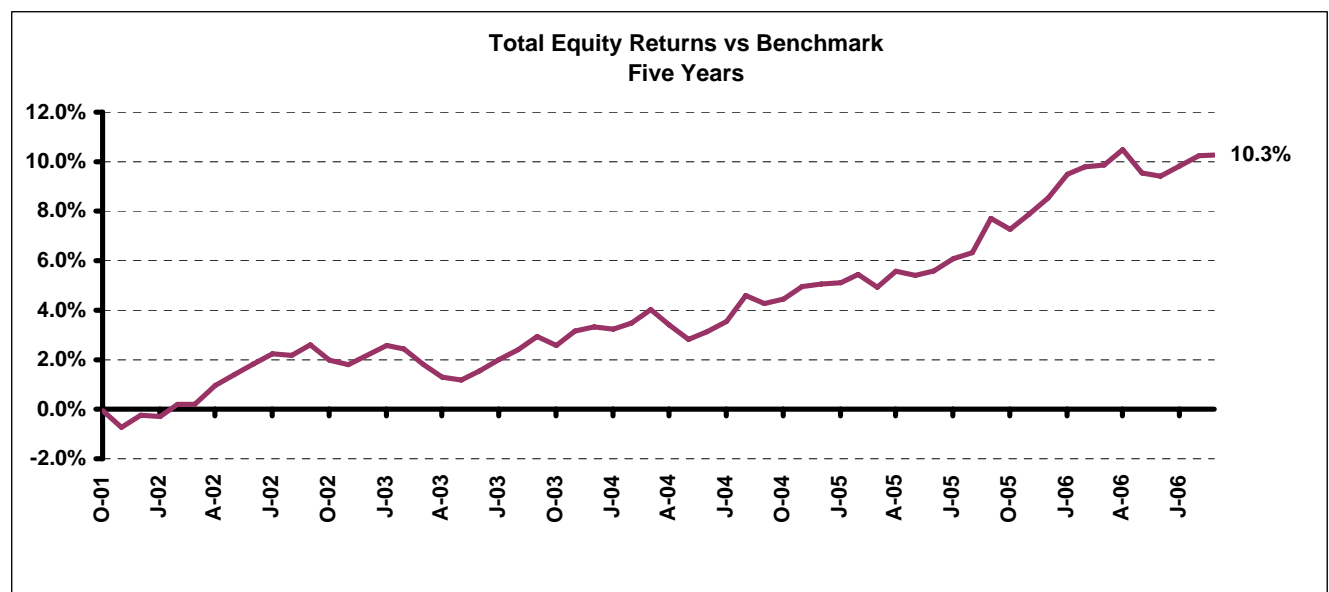
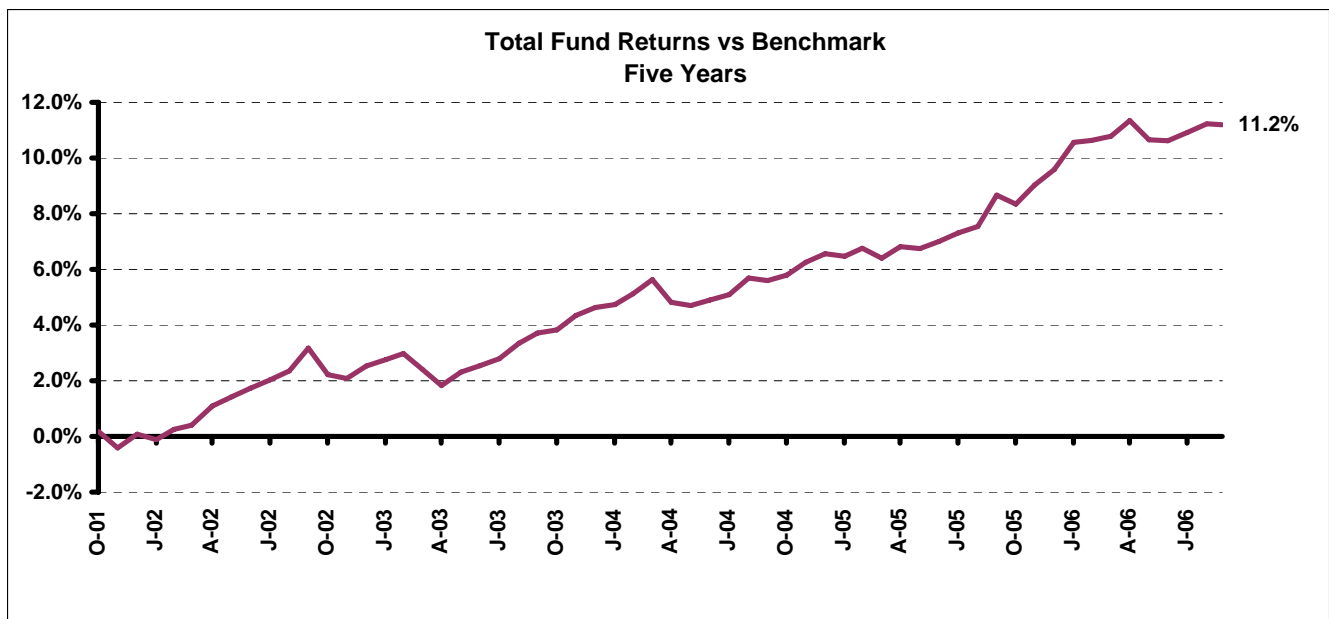
Cumulative Impact of Major Policies on Total Fund

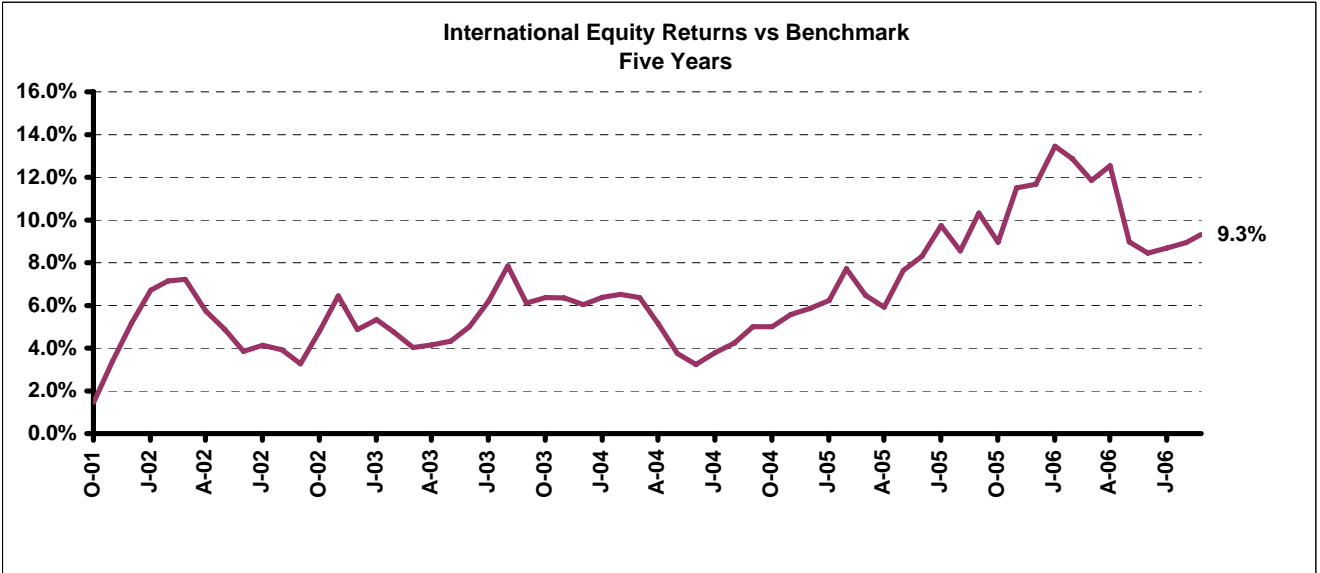
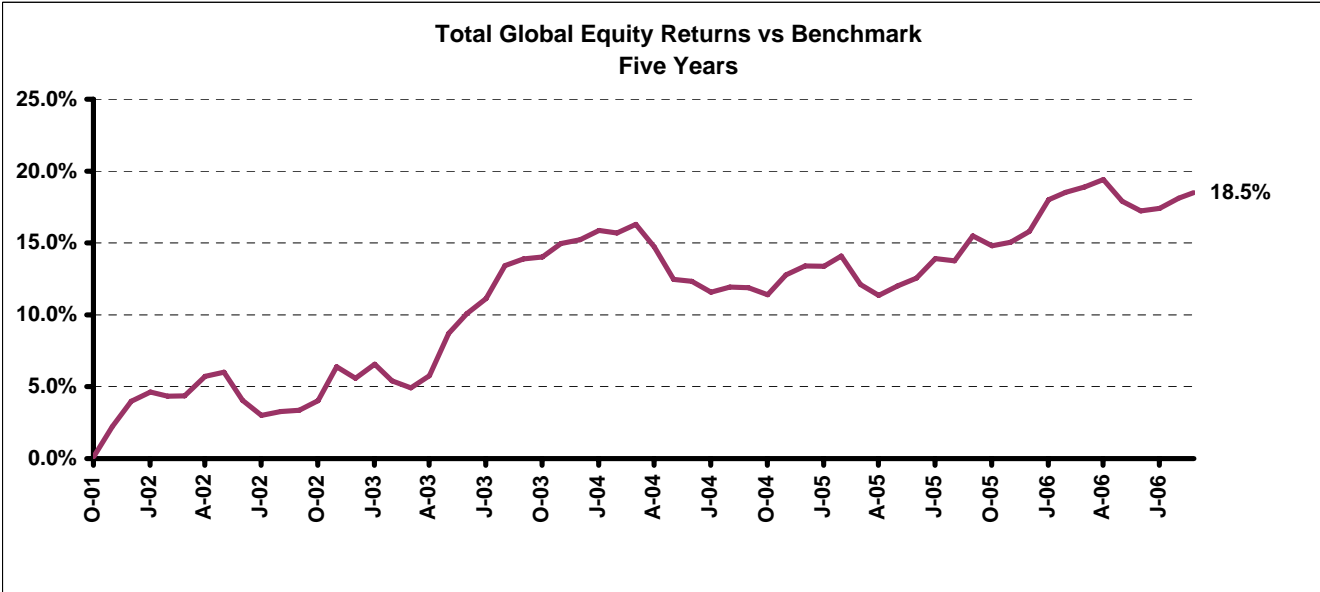
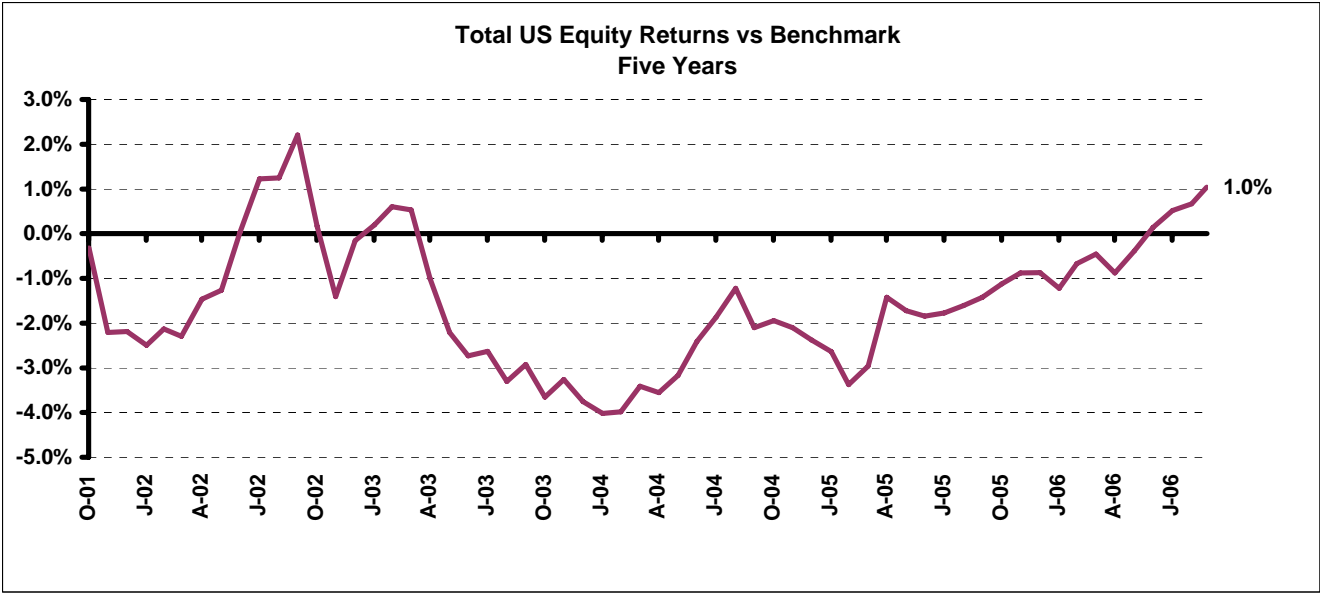


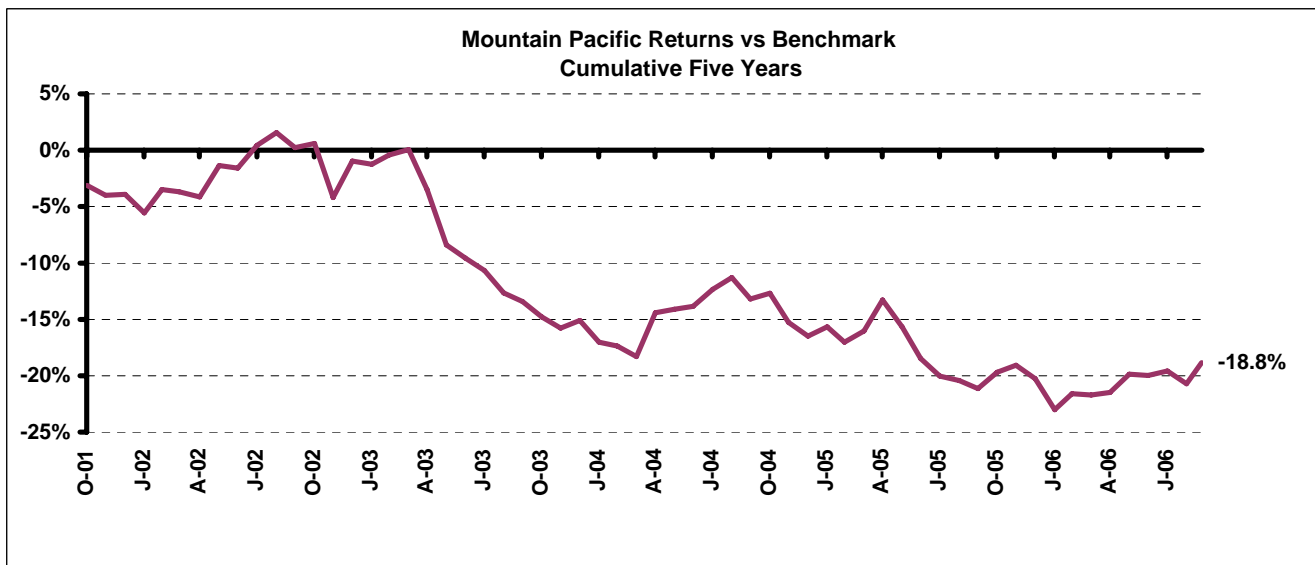
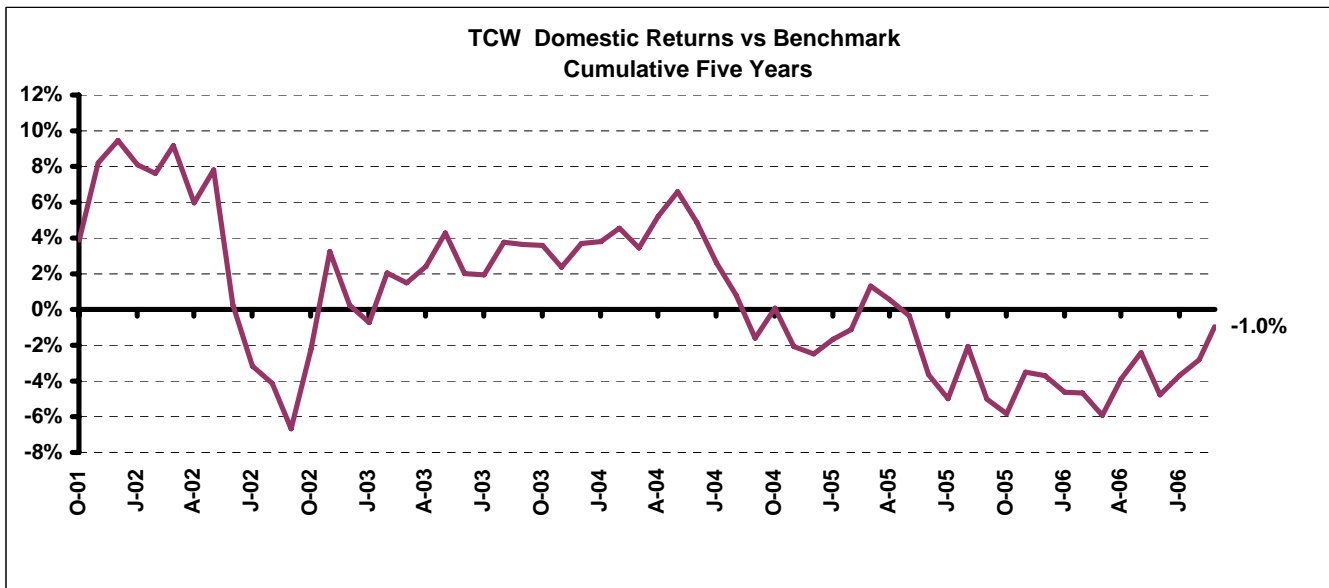
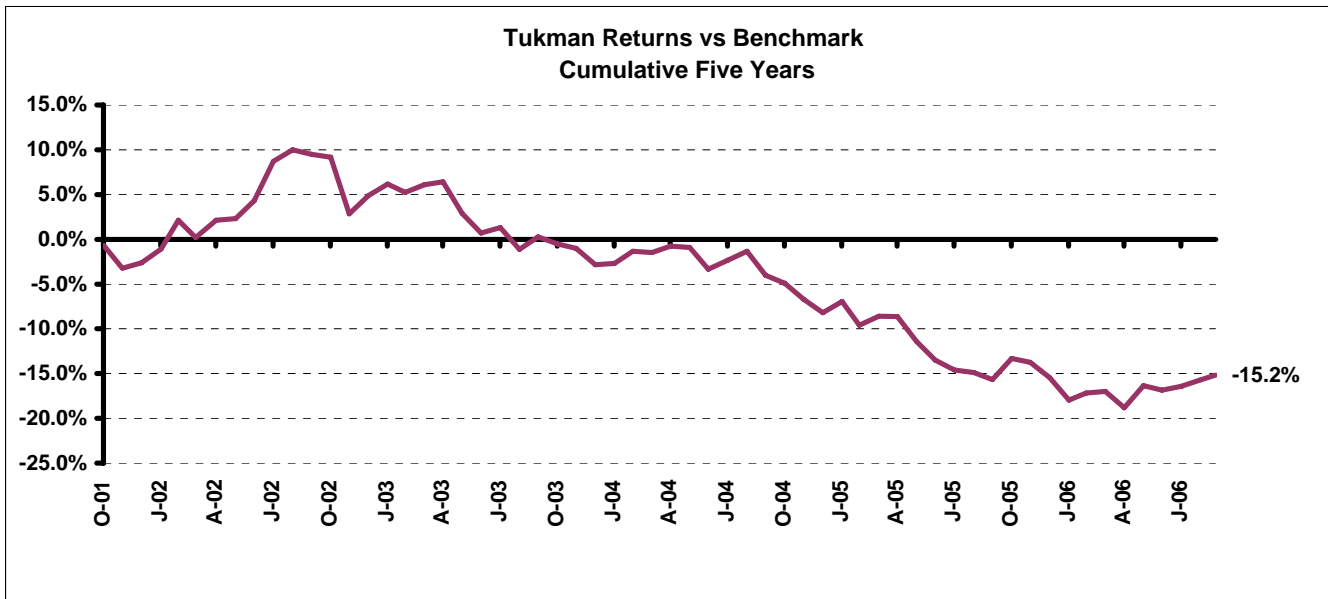




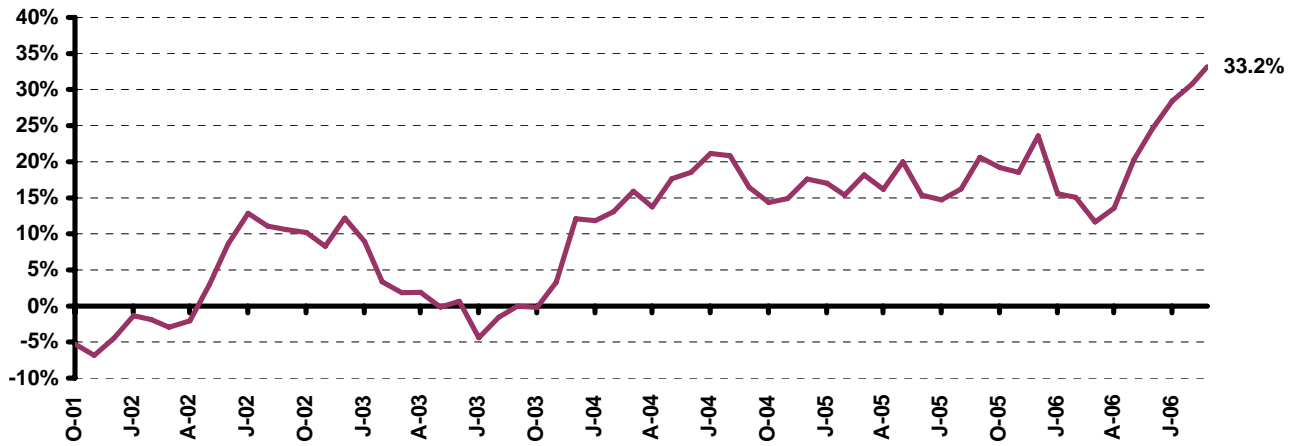




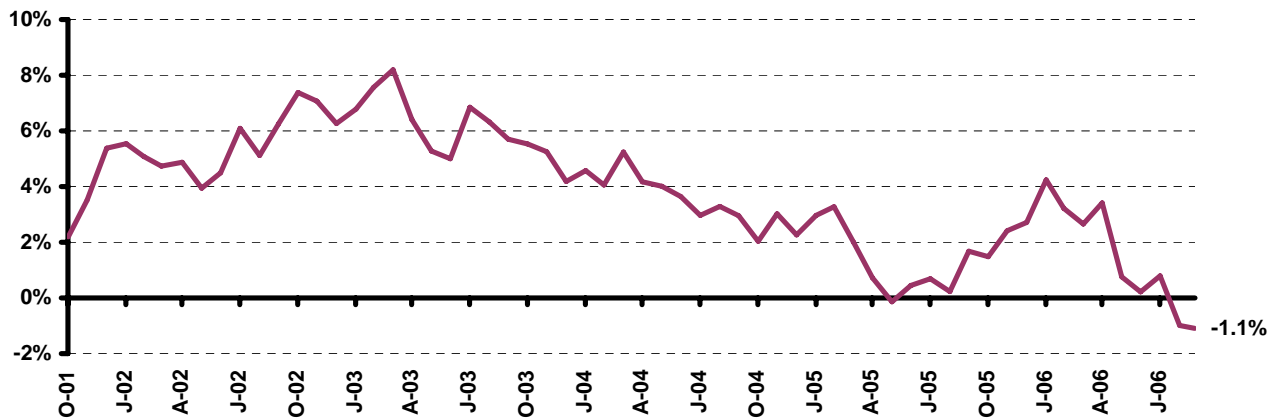




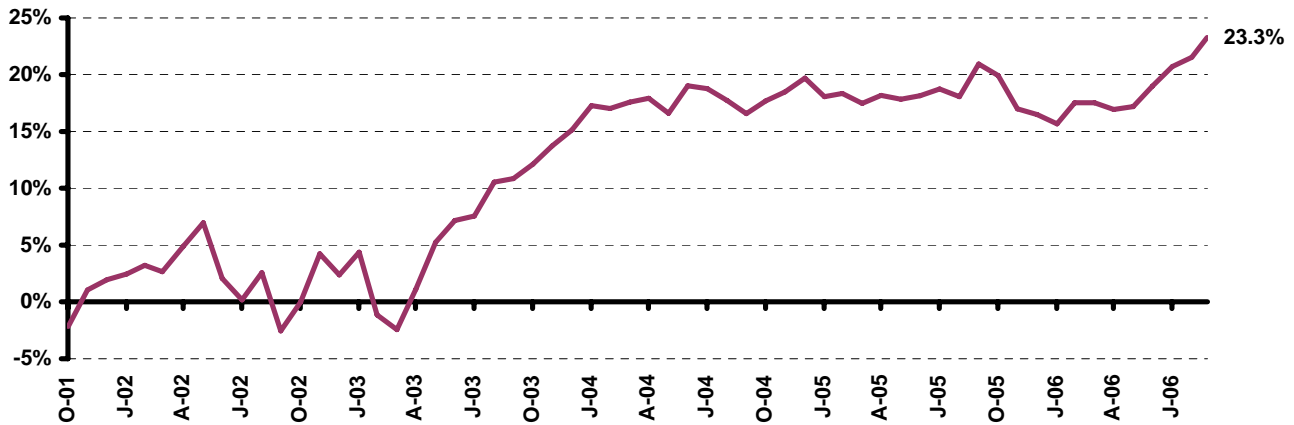
**D. Smith Returns vs Benchmark
Cumulative Five Years**



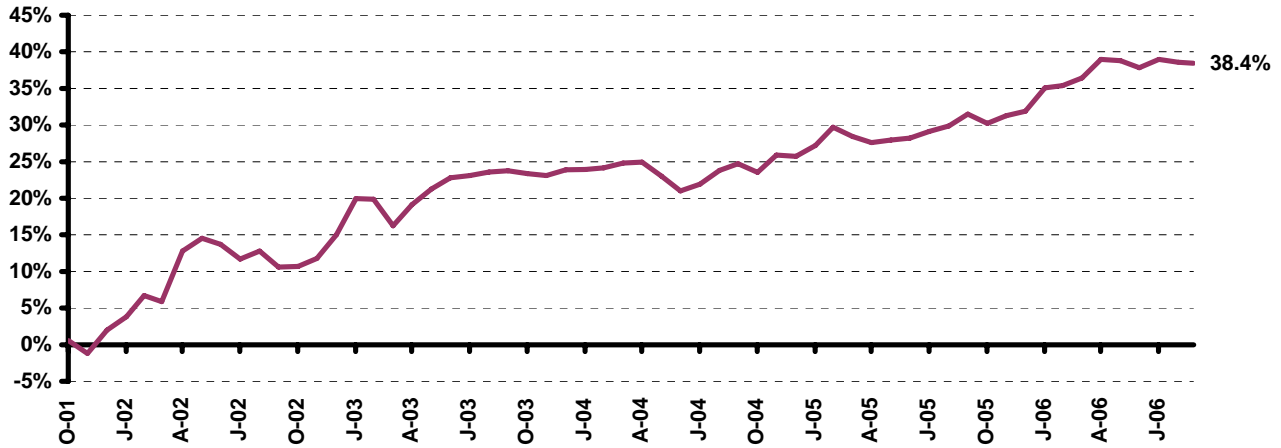
**Barings Equity Returns vs Benchmark
Cumulative Five Years**



**Brandes Equity Returns vs Benchmark
Cumulative Five Years**



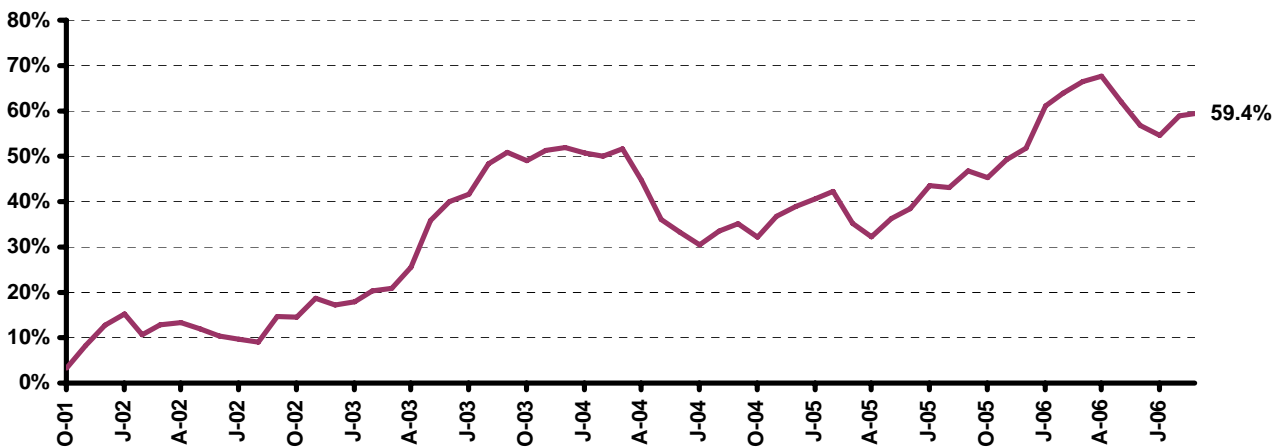
**Bernstein Global Equity Returns vs Benchmark
Cumulative Five Years**

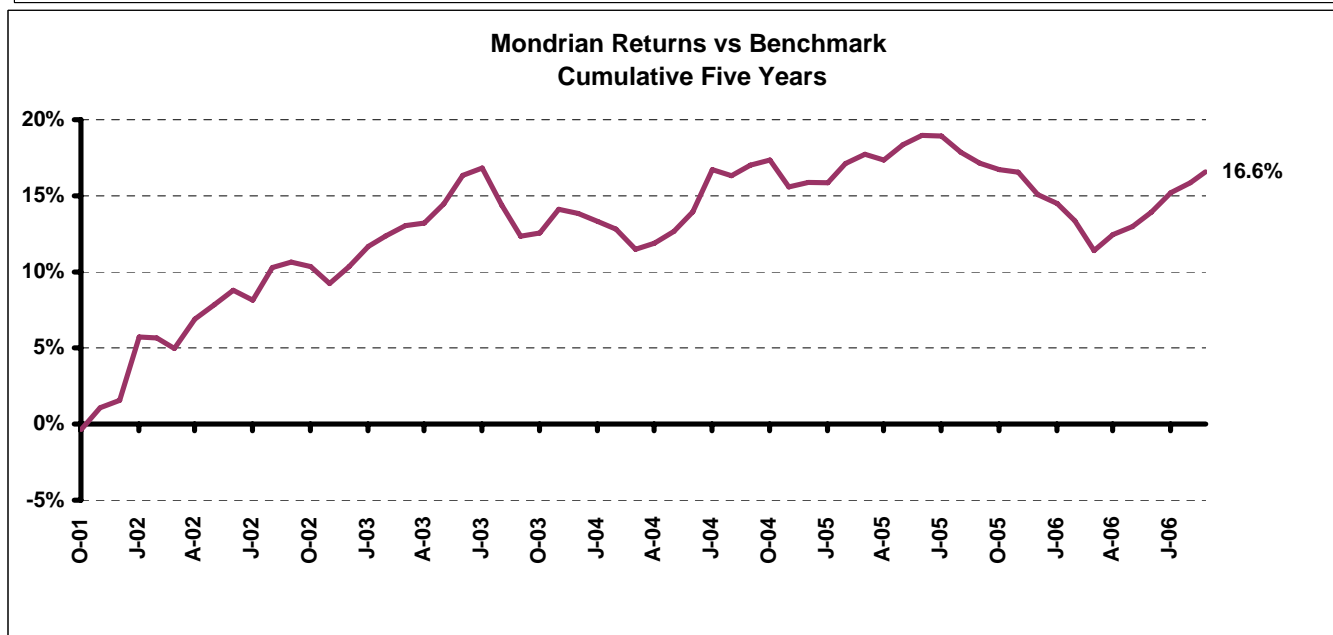
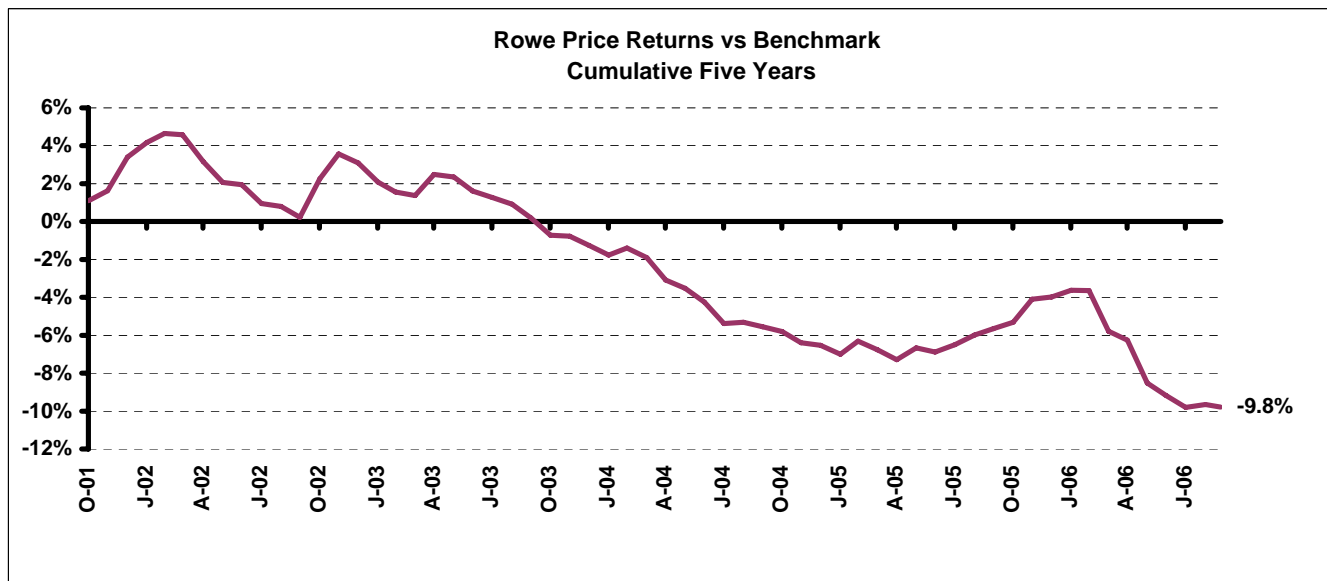
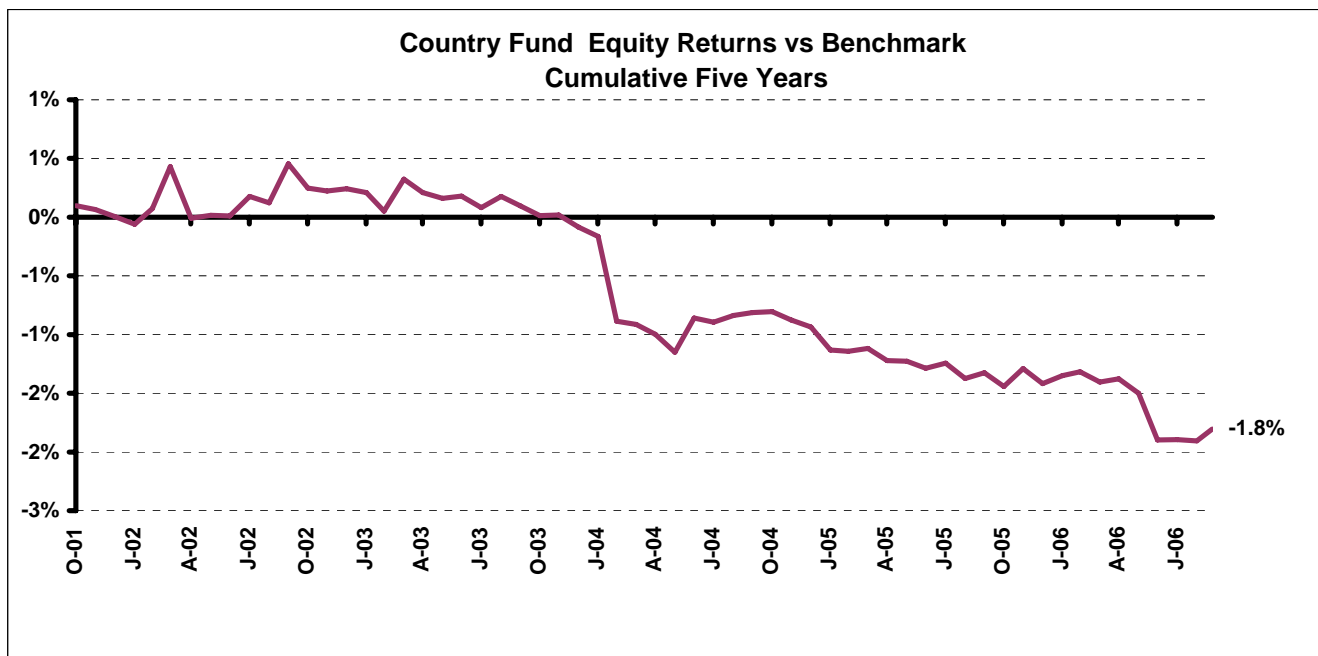


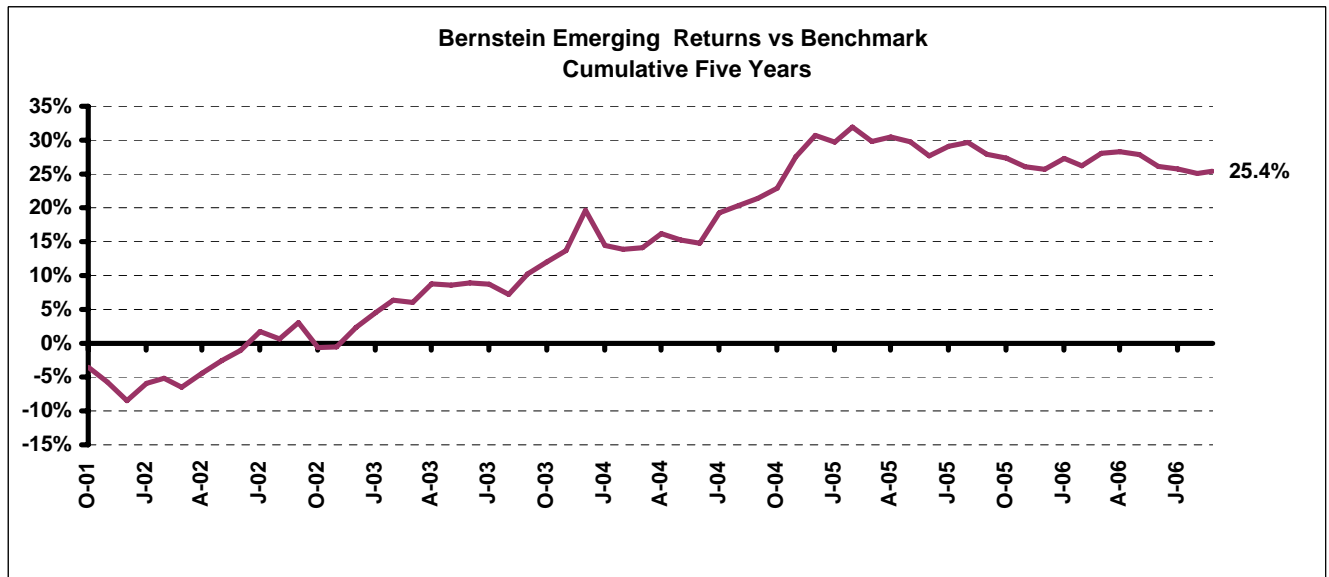
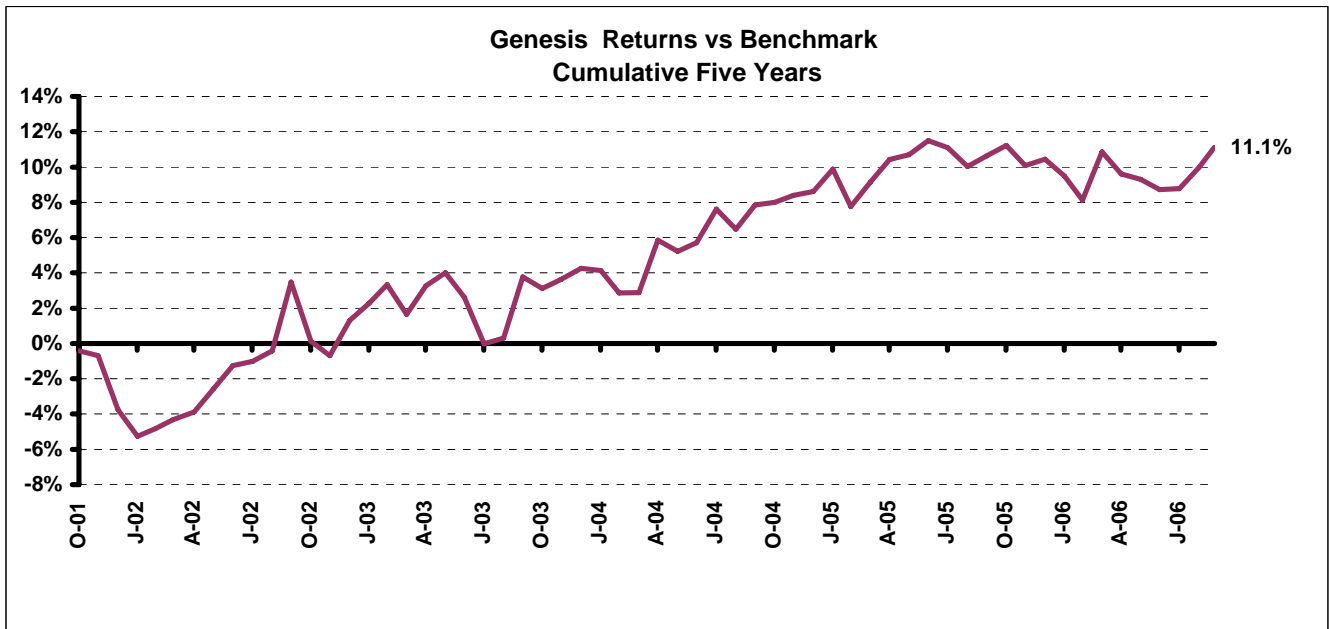
**Cap Guardian
Returns vs Benchmark
Cumulative Five Years**



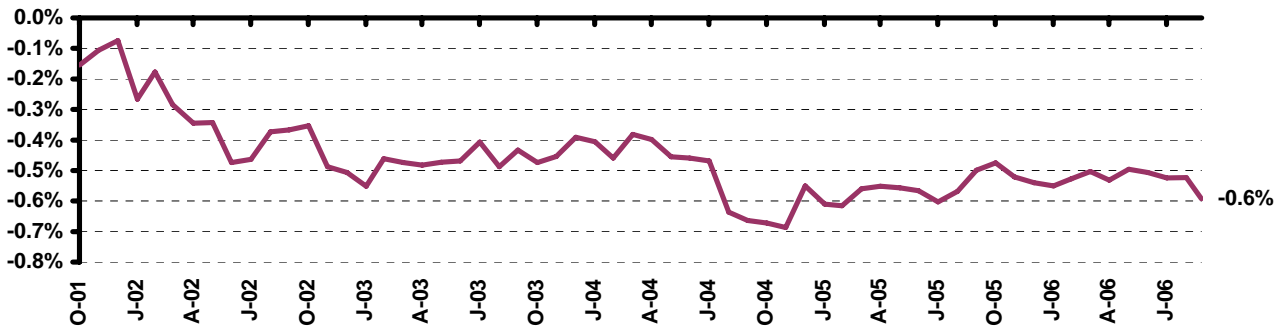
**Zesiger Equity Returns vs Benchmark
Cumulative Five Years**



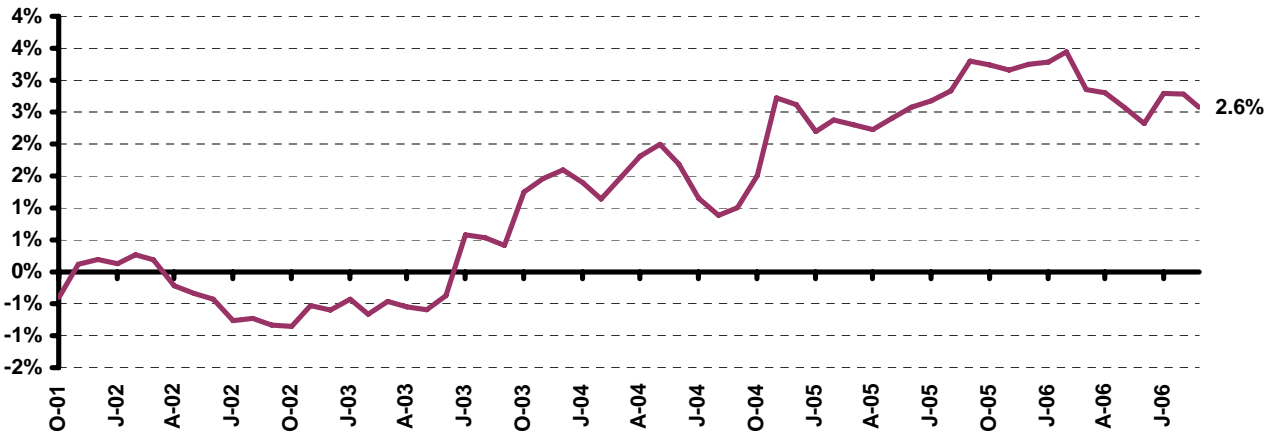




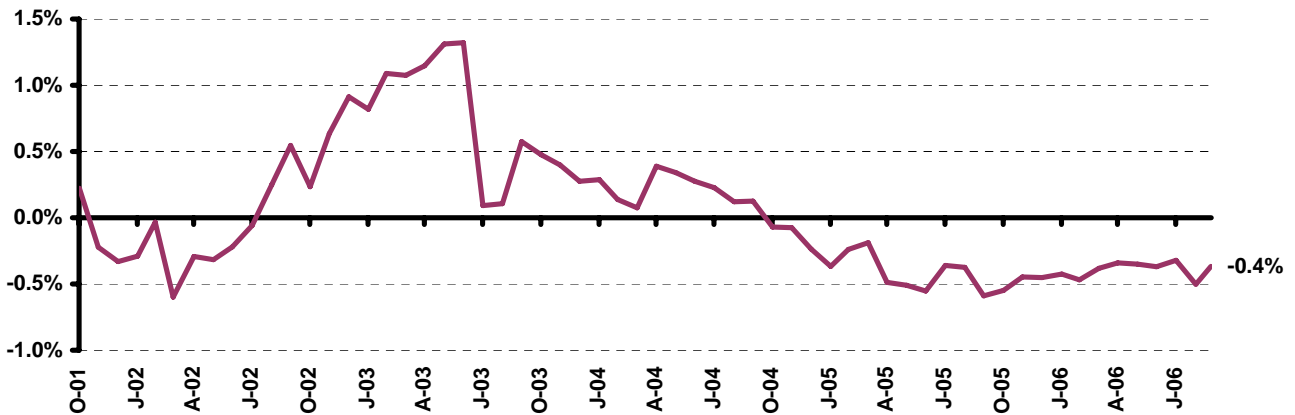
State Street Returns vs Benchmark
Cumulative Five Years

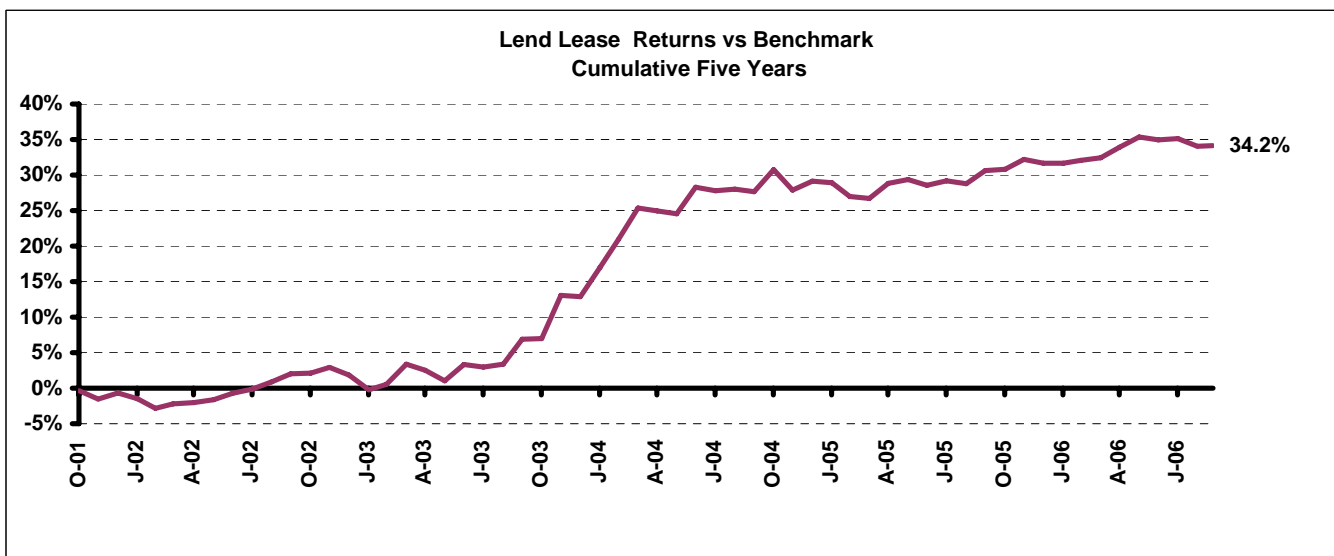
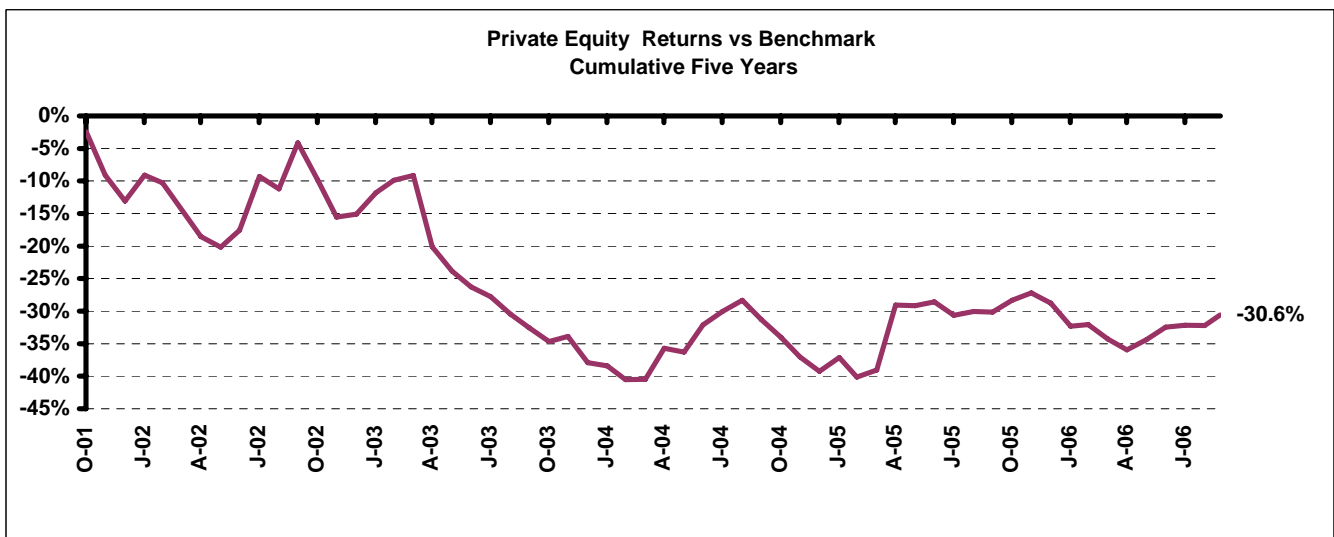
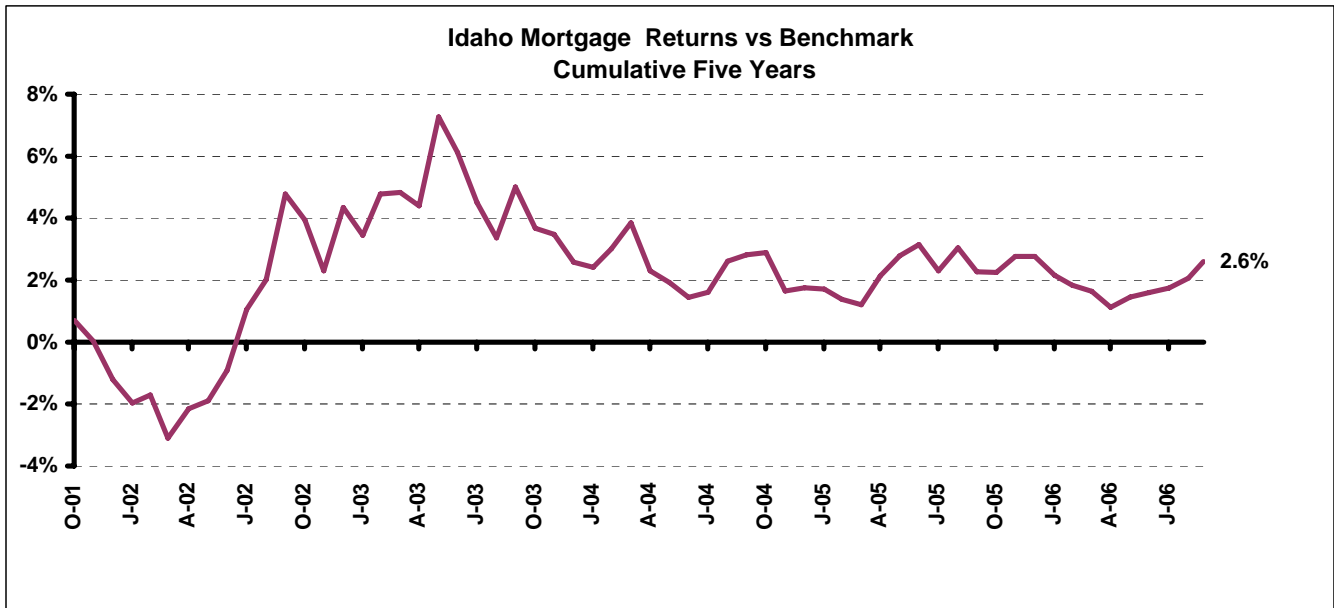


Barings Fixed Returns vs Benchmark
Cumulative Five Years

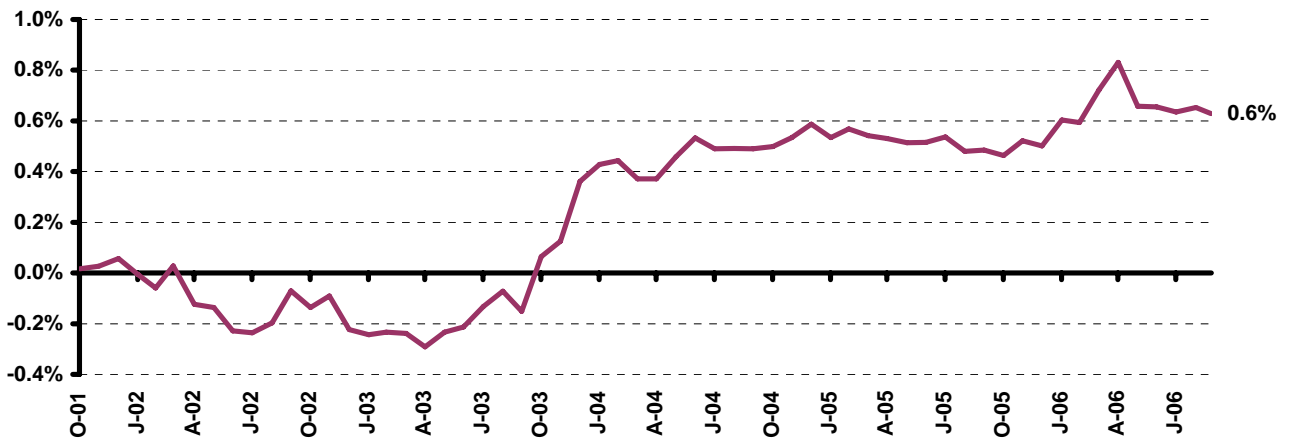


DBF MBS Returns vs Benchmark
Cumulative Five Years

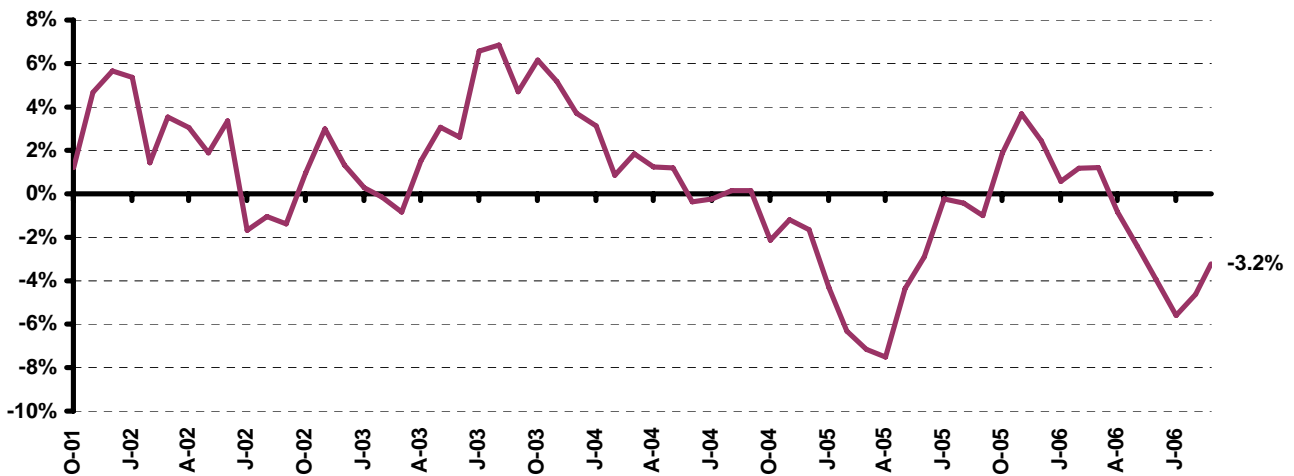




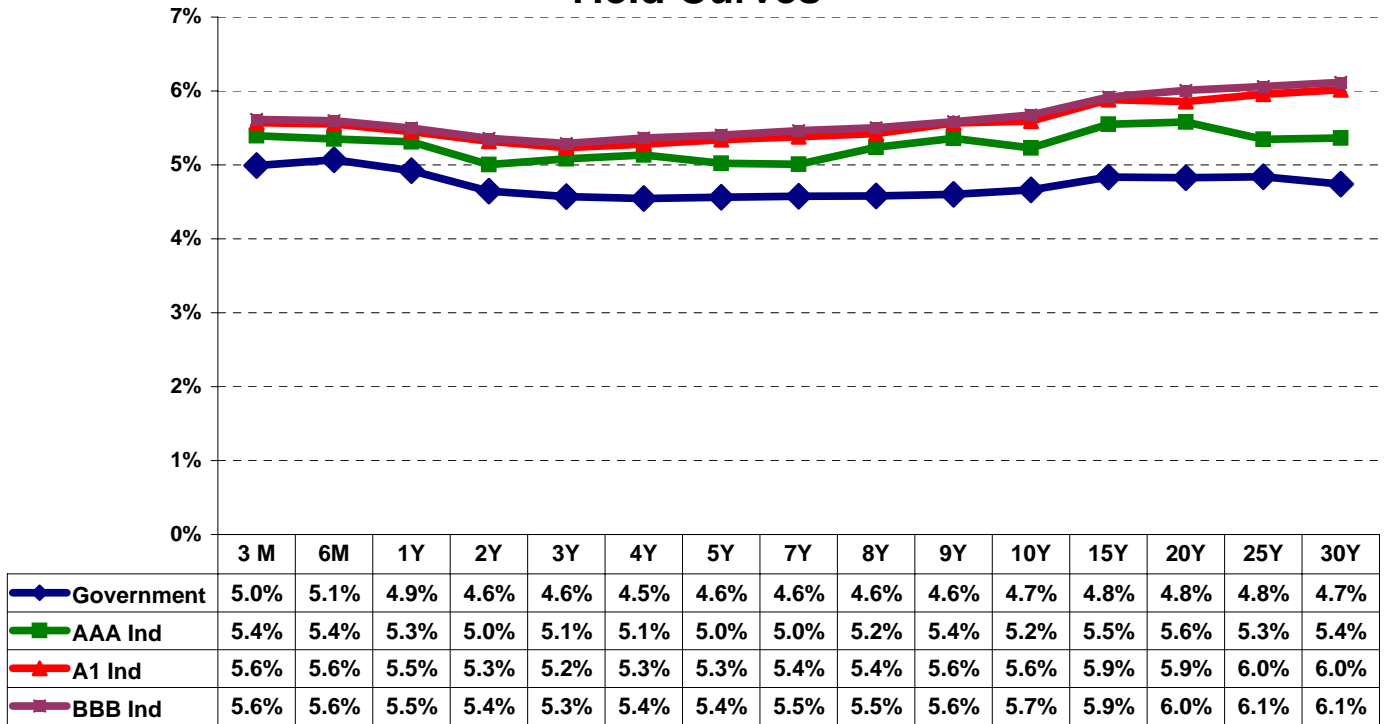
**Actual Allocation vs Asset Allocation
Cumulative Five Years**



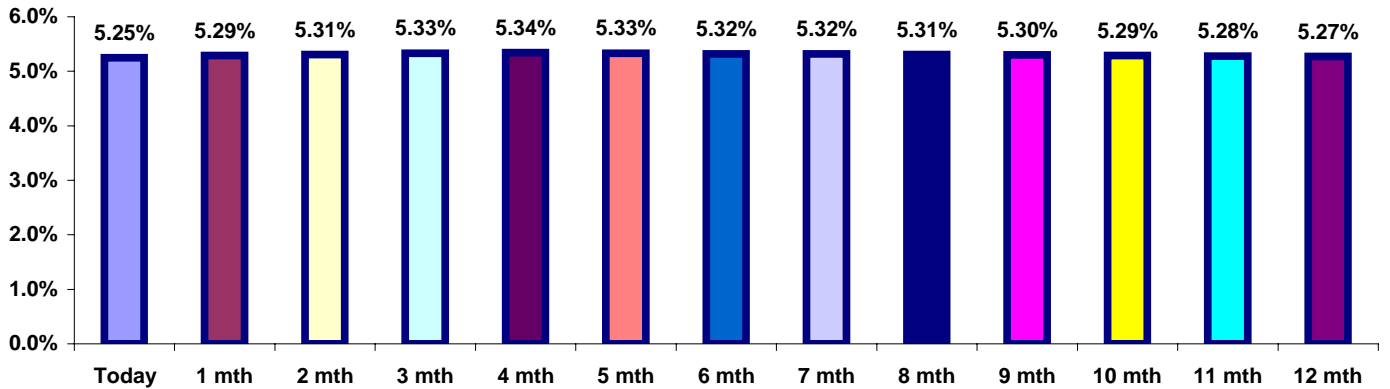
**Peregrine Returns vs Benchmark
Cumulative Five Years**



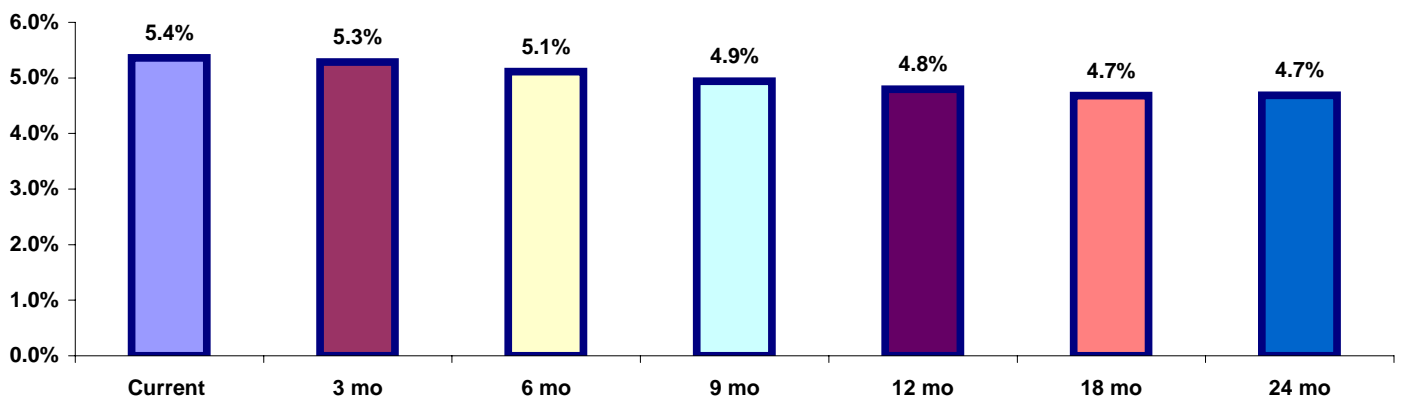
Yield Curves



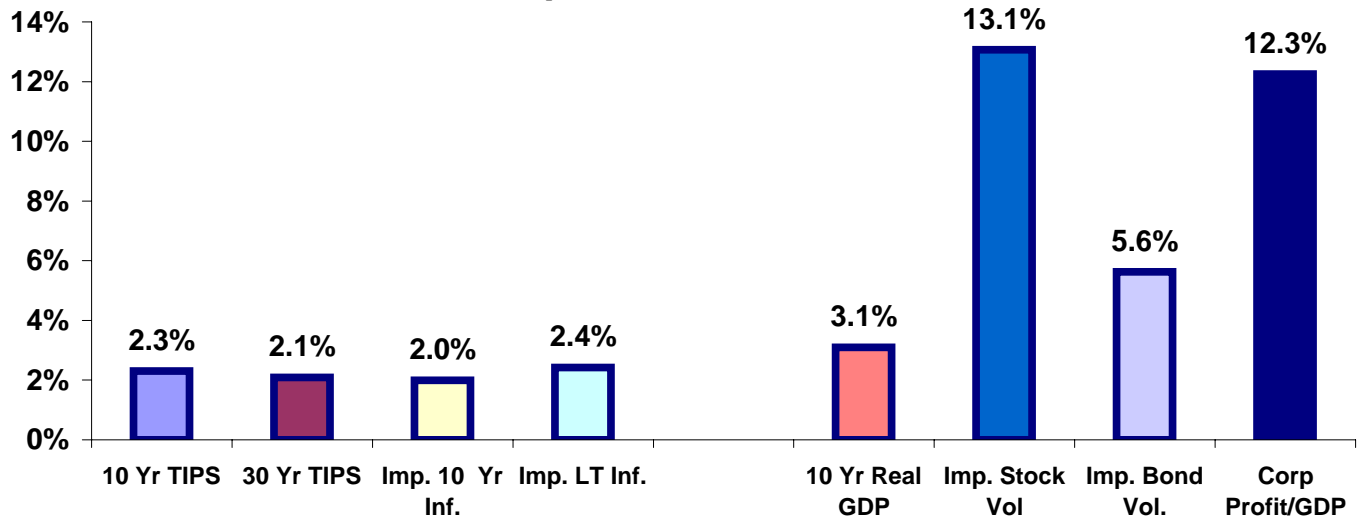
FED FUNDS FUTURES



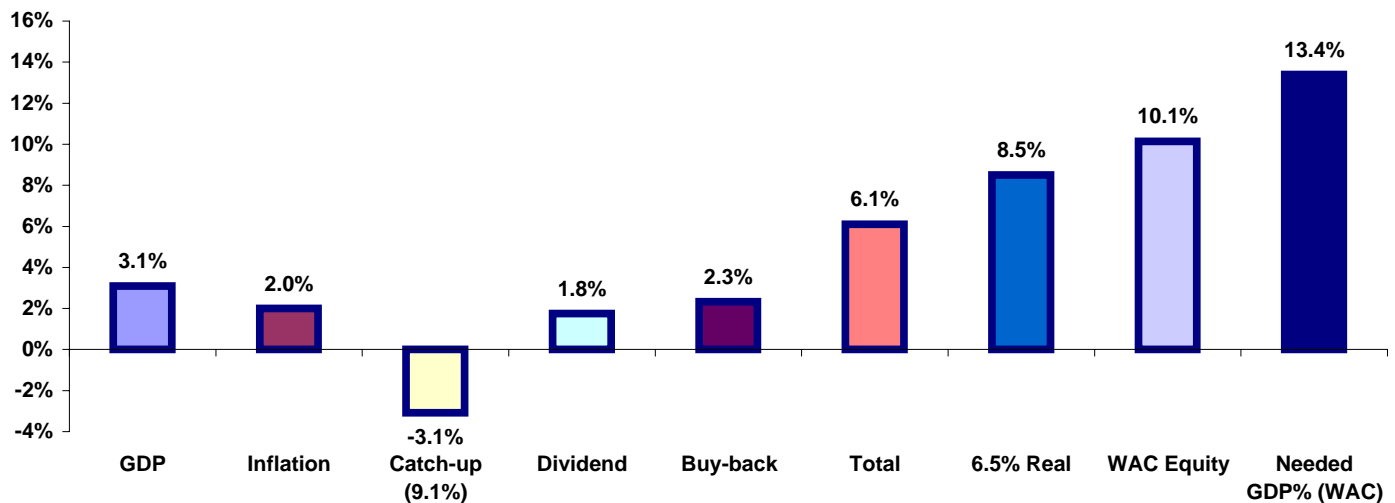
90 DAY EURO\$ FUTURES



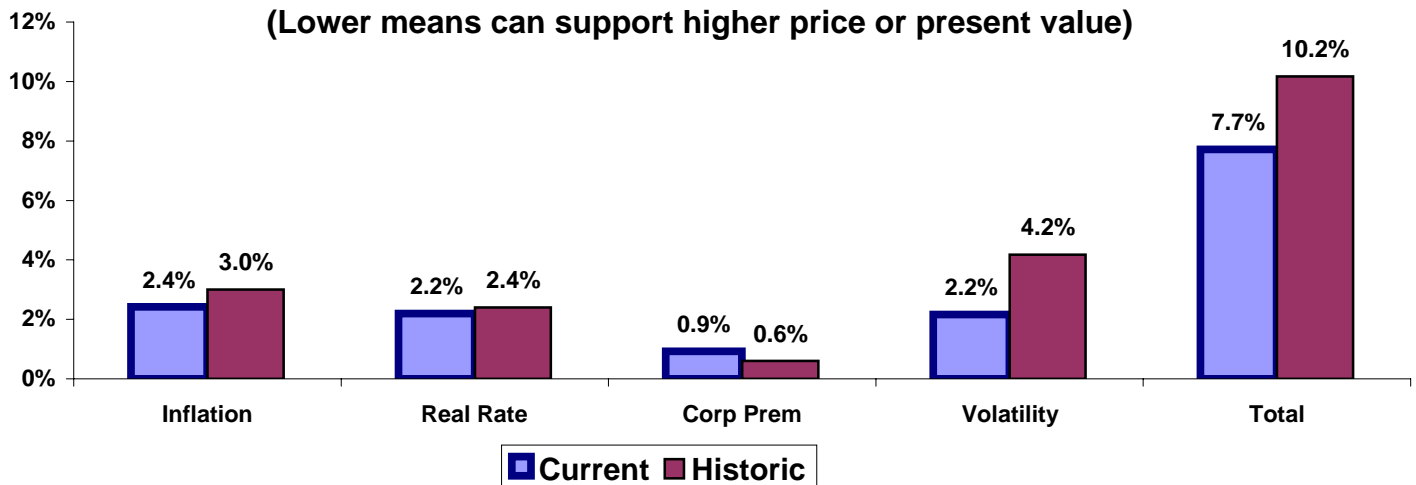
Real Yields, Implied Inflation and Misc. Data

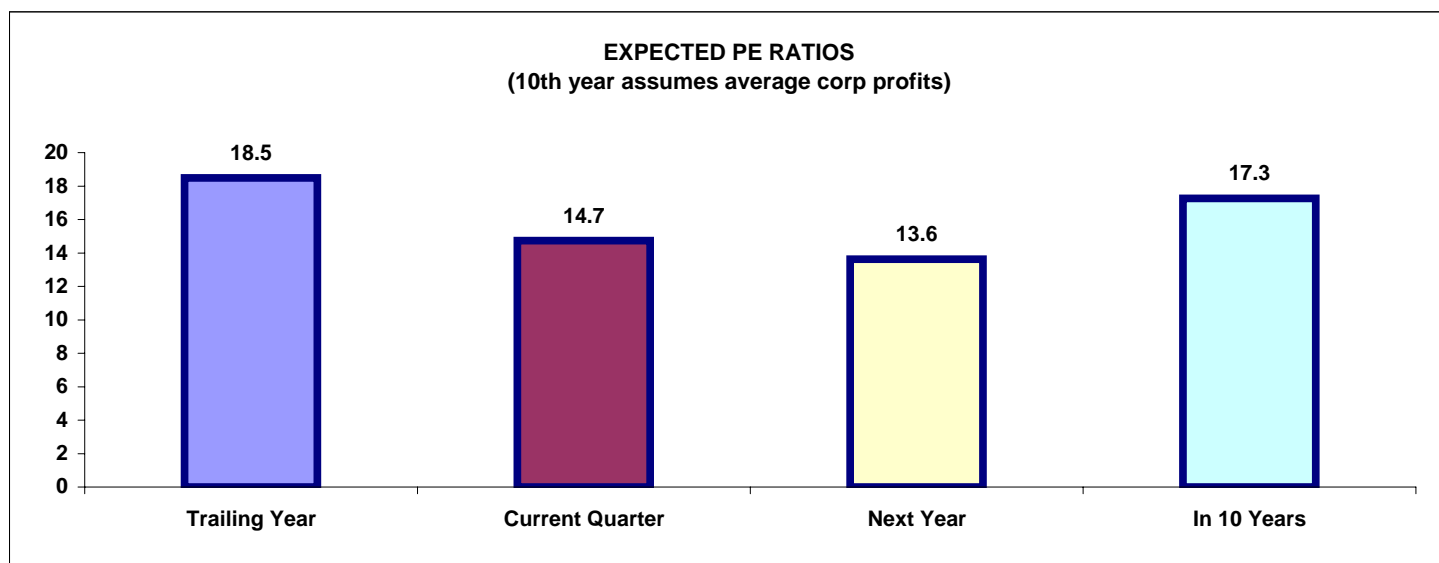
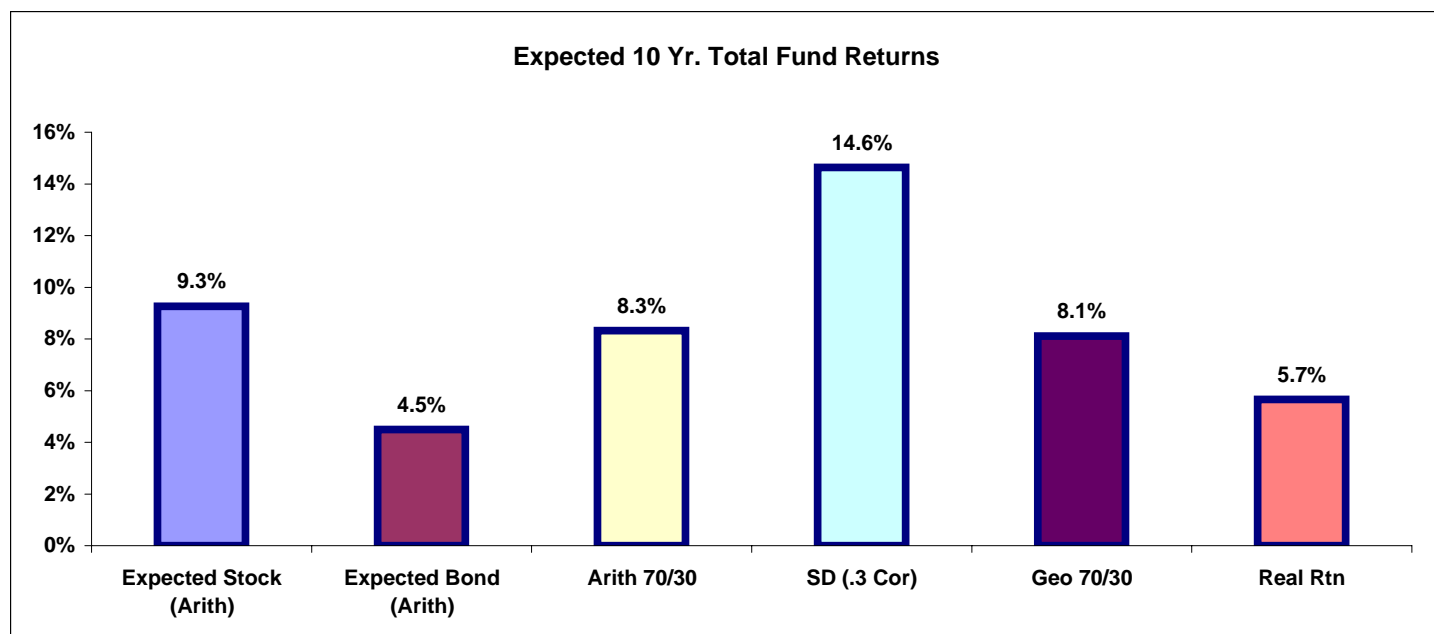
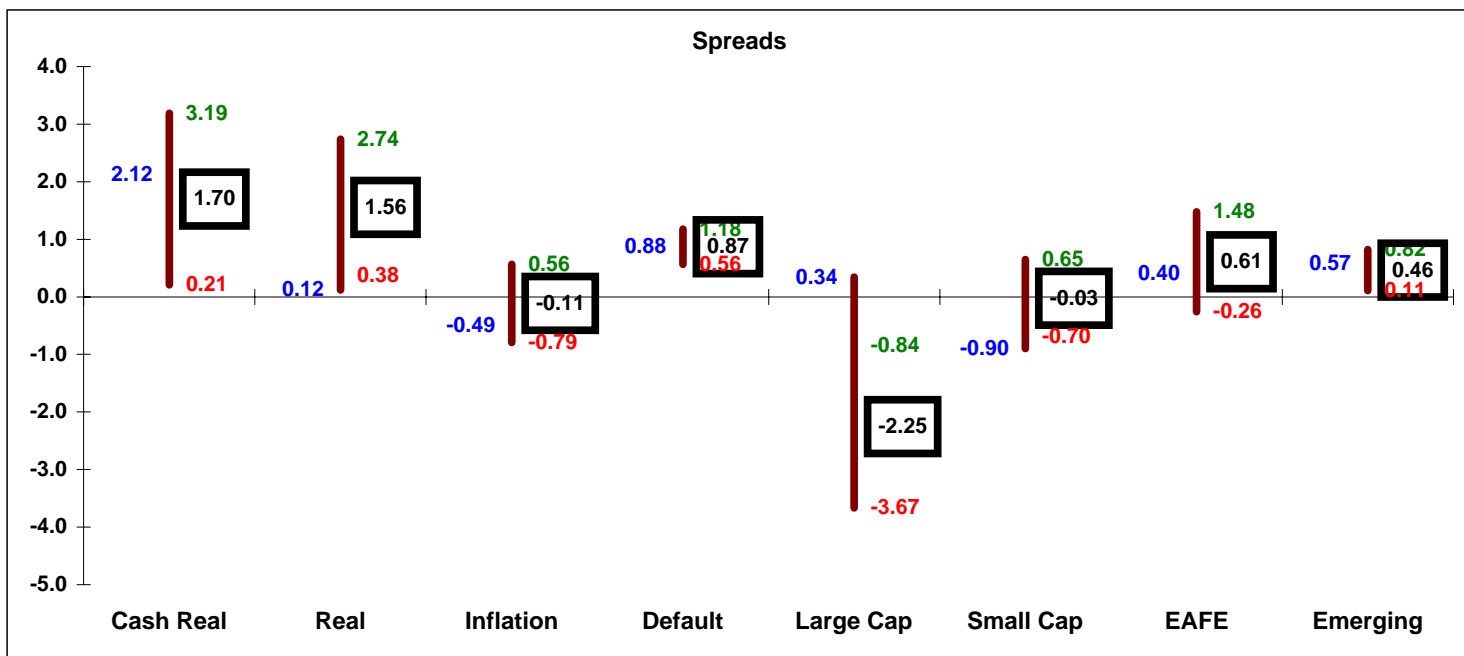


Expected 10 Year Stock Return and Sources (Current P/E remains the same)

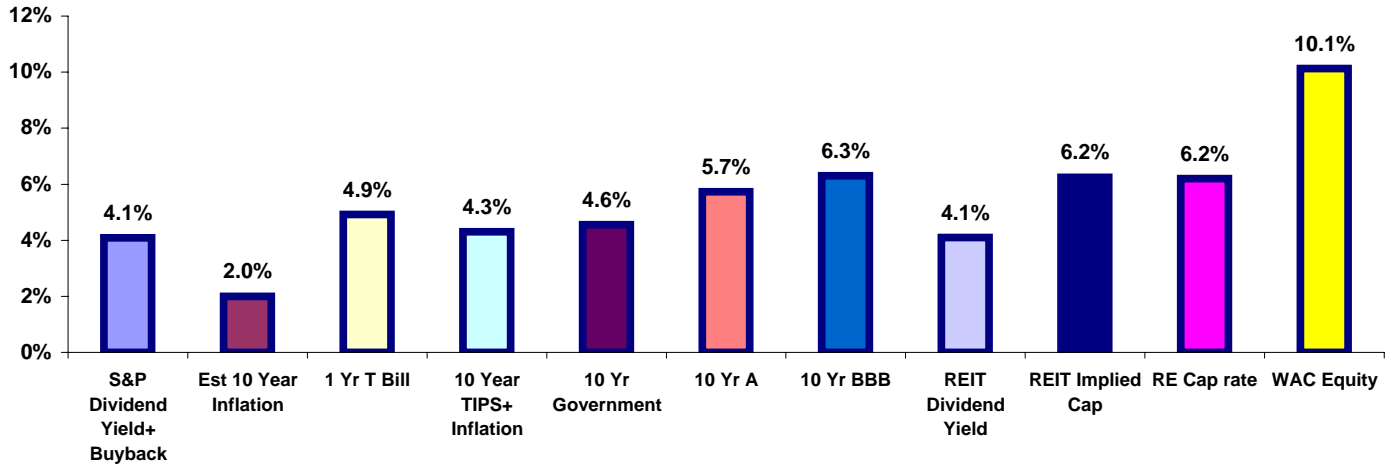


Needed Equity Discount Rate (k) (Lower means can support higher price or present value)

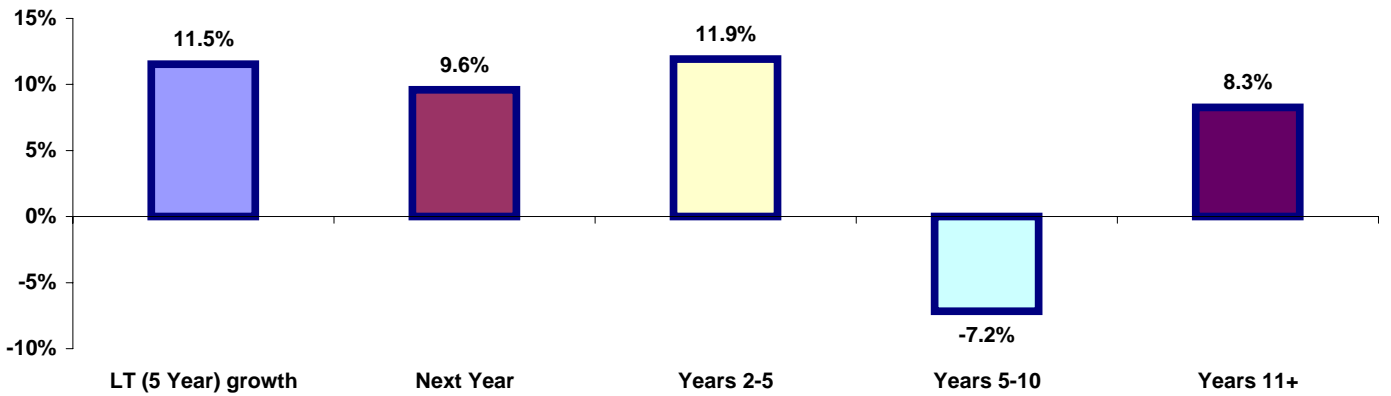




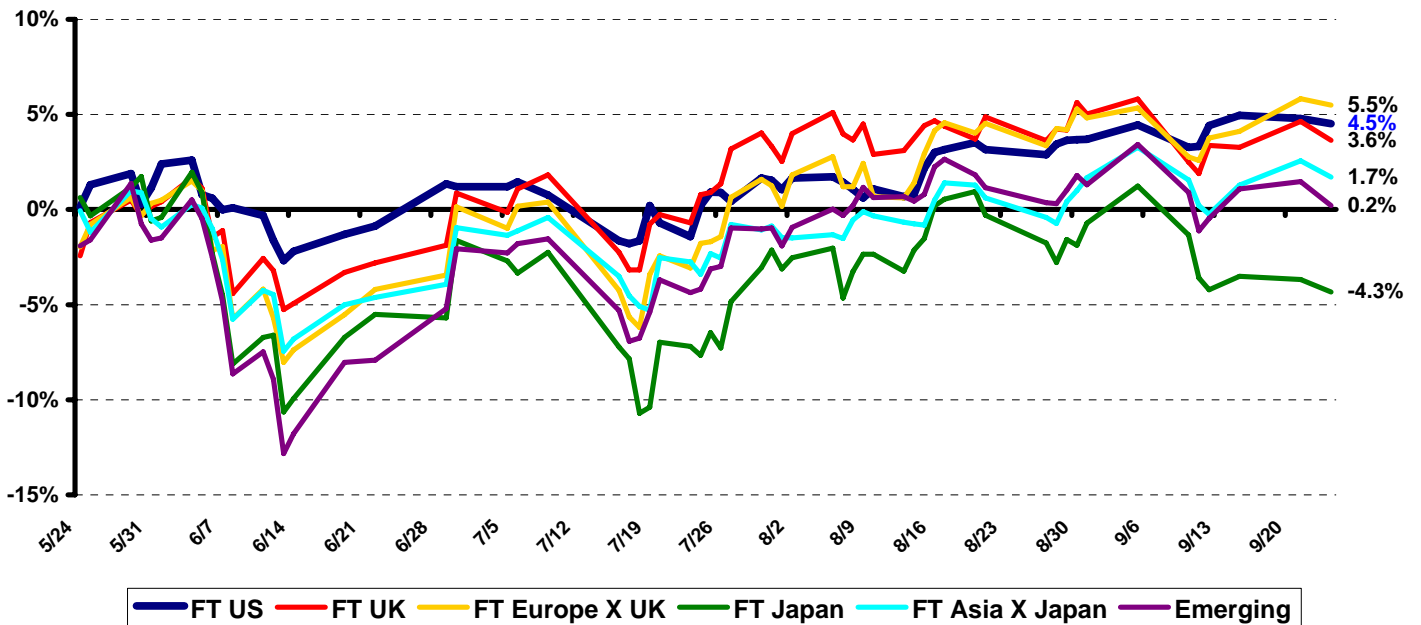
Capital Market Yields and Rates



Estimated S&P 500 Earnings Growth (5 years current estimates, 5-10 implied)



Short-Term Cumulative Returns



	(billions)	% GDP	Range - Low	Average	High	1 SD
Current GDP (QoQ Annual)	\$ 13,209.70	2.9%	-7.9% (1980)	3.4%	16.3% (1978)	3.70%
Corporate Profits	\$ 1,618.60	12.3%	6.0% (1982)	9.1%	13.0% (1950)	1.47%
After tax Profits	\$ 1,349.00	10.2%	3.1% (1986)	5.6%	7.6% (1978)	
S&P Earnings (trailing Yr)	\$ 579.58	4.4%				
S&P Earnings (current qtr)	\$ 700.25	5.3%				
Wages and salaries	\$ 6,142.40	46.5%	36.6% (1993)	40.1%	42.9% (1959)	1.39%
WACC	8.6%		ROE on Book	22.9%		
WAC Equity	10.1%		Current P/E	14.5		
WAC Debt	3.7%		Dividend Yield	1.8%		1.8%
Debt to Capital	26%		Share Repurchase	2.3%		(SPX)
Price/EBITDA	8.3		Payout ratio	31.5%		
Price/Book	2.8		Trailing PE	17.3		

Fixed Income

10 Yr Government	4.6%	Fed funds		90 Day Euro\$ Yields	
10Y Volatility	4.5%	Today	5.25%	Current	5.4%
10 Yr TIPS	2.3%	1 mth	5.29%	3 mo	5.3%
10 Yr A Corporate	5.7%	2 mth	5.31%	6 mo	5.1%
10 Yr BBB Corporate	6.3%	3 mth	5.33%	9 mo	4.9%
		4 mth	5.34%	12 mo	4.8%
20 Yr Government	4.8%	5 mth	5.33%	18 mo	4.7%
20 Yr AA Corporate	5.8%	6 mth	5.32%	24 mo	4.7%
30 Yr Government	4.7%	7 mth	5.32%		
30 Yr A Corporate	5.9%	8 mth	5.31%		
30 Yr TIPS	2.1%	9 mth	5.30%		
LT Bond Volatility	6.8%	10 mth	5.29%		
		11 mth	5.28%		
Implied Inflation LT	2.4%	12 mth	5.27%		
Implied 10 Yr Inflation	2.0%				

Equity

	P/E Ratio	EPS	Growth Estimates		
Trailing Year	18.5	\$ 2.76	LT (5 Year) growth	11.5%	
Current Quarter	14.7	\$ 3.24	Next Year	9.6%	9.6%
Next Quarter	14.0	\$ 3.40	Years 2-5	11.9%	11.9%
This Year	14.5	\$ 3.25	Years 5-10	-7.2%	-2.3%
Next Year	13.6	\$ 3.57	Years 11+	8.3%	8.3%
Dividend Yield	1.8%		From Nom GDP	6.1%	6.1%
Share repurchase Yield	2.3%		From Share Repurchase	2.1%	2.1%
Payout ratio (Bloomberg)	31%				
LT (5 Year) growth	11.5%	\$ 5.60	Implied % of GDP at 5th Year	Gross 18.2%	After Tax 15.1%
Net Profit		Gross Profits	RE Cap Rate	6.2%	
Needed return	8.5%	8.5%	REIT cap Ra	6.2%	
Begin P/E (next year)	13.6	13.6	REIT Div	4.1%	
Earnings Yield	7.3%	7.3%	10 Yr Rtns		
Begin Div Yield	1.8%	1.8%	Exp. 10 Yr Geo Rtn	Current 8.5%	Historic 8.5%
Likely 10 Yr earnings growth	1.7%	4.4%	Volatility (VIX)	13.1%	21.0%
Allowable end P/E (11th Yr)	24.9	17.3	Exp 10 Yr. Arith Rtn	9.3%	10.5%
Current Price Book	2.8	2.8	Exp. 10 Yr Bond Rtn	4.5%	4.5%
Imp Next Year ROE on Book	20.3%	20.3%	10 Yr Bnd Volatility	4.5%	6.0%
			70-30 return	8.3%	9.1%
Implied Future Earnings Yield	4.0%	5.8%	70-30 SD (.3 Cor)	9.6%	14.6%
Implied Dividend	1.3%	1.8%	70-30 Geo Rtn	7.9%	8.1%
LT Return (6.5% + Inf)	9.5%	8.9%	Real return	5.5%	5.7%
Assumed LT Real GDP	3.1%	3.0%			
Implied ending Price/Book	3.0	1.8	Assumed 10 yr Real GDP	3.1%	
Implied ROE on Book	12.1%	10.4%			

FACTORS

Recovery Continues at Moderate Pace

GDP Real Growth QOQ (annualized)	2.90%					
	MOM	YOY	Apr-02			
Leading Economic Indicators (% change)	-0.2%	0.4%	-18.8%	High	Average	Low
ISM Manufacturing	54.5		53.9	57.5 (12/99)	51.5	43.2 (3/01)
ISM Non-manufacturing	57.0		55.3	62.1 (10/97)	56.3	40.5 (10/01)

Inflation Stays Under Control

Inflation QOQ (annualized)	3.30%
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Consumer Spending Remains Healthy

Consumer Spending QOQ (annualized)	2.60%					
Real Consumer Spending (annualized)	-0.70%	Apr-02		High	Avg	Low
University of Michigan Survey	84.4	93		107.3 (6/99)	92.6	65.5 (12/90)

Tech and Telecom Do Not Drive Recovery

S&P 1500 since 4/30/02	24.3%
NASDAQ 100 since 4/30/02	27.6%
NASDAQ Telecom since 4/30/02	46.5%
NASDAQ Computer since 4/30/02	22.9%

Emerging Markets strong, Japan weak, Europe moderate

EAFE returns since 4/30/02	60.70%
Europe	85.80%
Asia	81.22%
Japan since 4/30/02	66.42%
Emerging Markets since 4/30/02	116.78%

Corporate Spreads Narrow

	Spread	High	Average	Low
10 Year A over Government on 4/30/02	1.60%	2.18% (1/01	1.31%	0.67% (8/97)
Current 10 Year A over Government	1.18%			
		High	Average	Low
30 Year A over Government on 4/30/02	1.88%	3.33% (10/8	1.49%	0.64% (5/84)
Current 30 Yr A over Government	1.17%			
		High	Average	Low
10 Year BBB over A on 4/30/02	0.80%	1.13% (1/02	0.57%	0.16% (11/97)
Current 10 Year BBB over A	0.57%			

Fed Policy Expected to be Benign

	Current	Expected Level
Expected 12 month tightening on 4/30/02	0.75%	1.75%
Current expected 12 month tightening	0.02%	5.27%

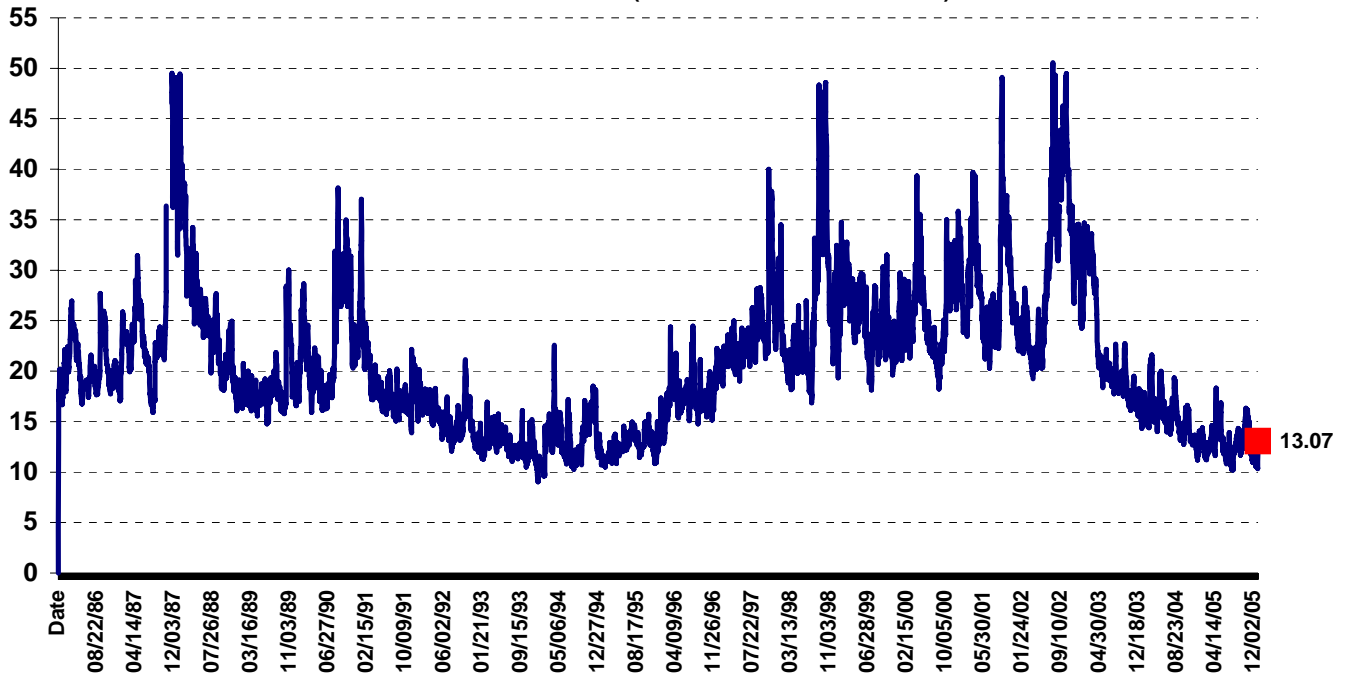
US \$ Moderate Weakness against Euro and Pound

	\$ vs currency
Japan (\$ % change since 4/30/02)	116.4 -9.4%
UK	1.90 -23.2%
Euro	1.27 -29.3%

US Productivity Continues at 2% - 2.5% or above

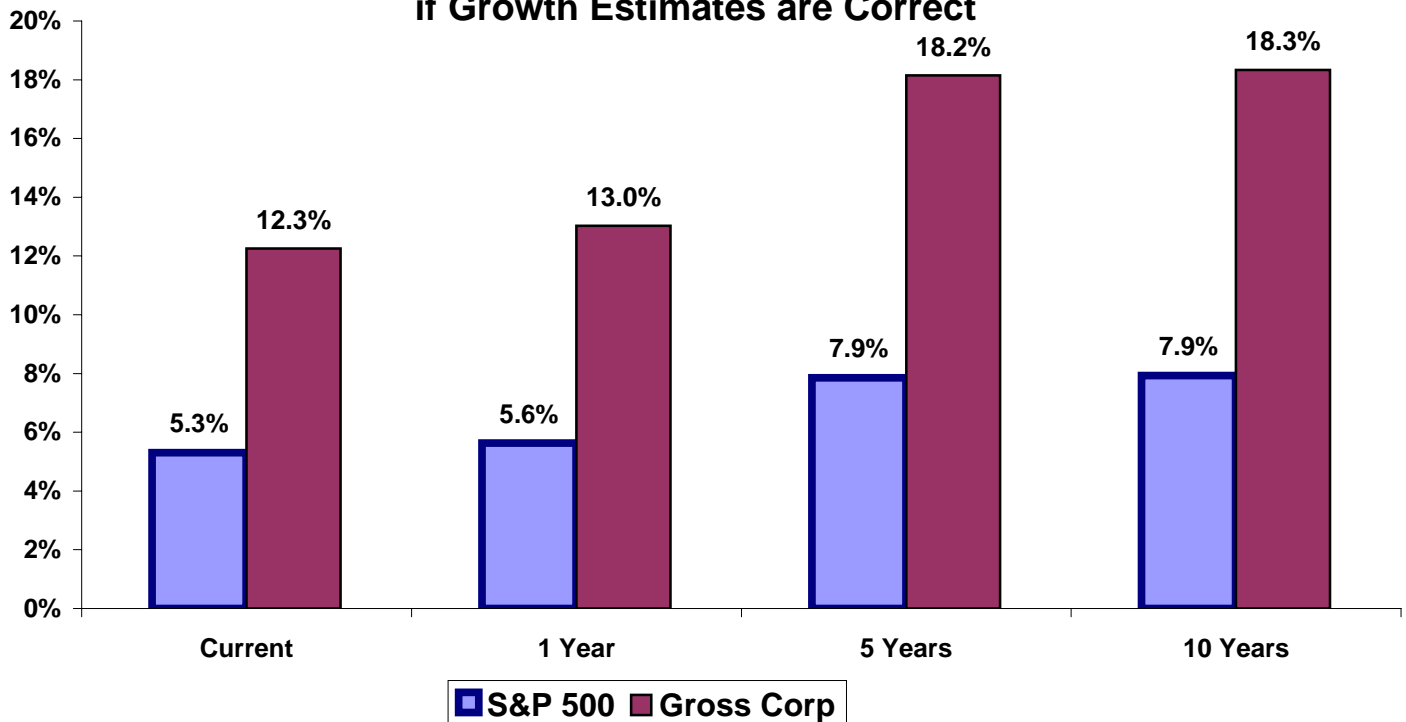
		High	Average	Low
Nonfarm Productivity Increase QOQ	1.6%	9.9% (6/83)	1.7%	-5.0% (3/93)
Nonfarm Productivity Increase YOY	2.5%	5.3% (9/83)	1.6%	-2.2% (3/82)

VIX (Stock Volatility) Index 1981-2005 (Late October 1987 Excluded)



	w/o 10/87	With 10/87
Average Volatility	21.3	21.6
St. Deviation	7.1	8.3
Minimum	9.1	9.1
Maximum	50.1	150

Future Levels of Corp Profits and SP500 Earnings as % of GDP if Growth Estimates are Correct



PERSI RETURNS

August 31, 2006

	Month Ending	Quarter Ending	Fiscal Year Ending	Cal Year Ending	1 Year Ending	2 Years Ending	3 Years Ending	4 Years Ending	5 Years Ending	7 Years Ending	10 Years Ending
TOTAL ACCOUNT	2.5%	3.4%	3.3%	7.5%	12.3%	13.7%	13.7%	13.2%	8.7%	6.7%	9.5%
55-15-30 Policy (No Rebalance)	2.2%	2.9%	2.7%	6.0%	9.0%	11.1%	11.3%	11.0%	6.4%	4.2%	8.0%
US EQUITY	2.5%	3.2%	2.5%	7.4%	11.4%	13.5%	13.6%	12.8%	6.8%	4.3%	9.4%
R3000	2.4%	2.5%	2.4%	5.7%	8.8%	12.0%	11.8%	12.3%	5.6%	2.6%	9.0%
GLOBAL EQUITY	3.2%	3.5%	4.1%	11.9%	20.5%	20.4%	18.4%	19.3%	11.5%	8.8%	12.2%
MSCI World	2.6%	3.3%	3.3%	9.9%	16.3%	17.5%	17.0%	15.6%	8.2%	3.4%	8.0%
INTERNATIONAL	3.0%	3.8%	4.3%	11.6%	24.7%	26.8%	24.2%	21.4%	13.5%	7.4%	8.8%
MSCI EAFE	2.8%	3.8%	3.8%	14.7%	24.8%	24.4%	24.0%	20.2%	12.2%	5.8%	7.4%
FIXED INCOME	1.7%	3.5%	3.3%	2.1%	1.9%	3.5%	5.0%	5.1%	5.9%	7.2%	7.3%
Lehman Aggregate	1.5%	3.1%	2.9%	2.2%	1.7%	2.9%	4.0%	4.1%	4.9%	6.3%	6.5%
US EQUITY											
Mellon R3000 Index	2.3%	1.9%	2.1%	5.1%	8.2%	11.7%	11.6%	12.1%	5.5%	2.4%	8.8%
Russell 3000	2.4%	2.5%	2.4%	5.7%	8.8%	12.0%	11.8%	12.3%	5.6%	2.6%	9.0%
Tukman	3.2%	3.9%	4.4%	5.7%	7.7%	2.5%	5.3%	4.3%	2.8%	4.0%	9.9%
S&P 500	2.4%	3.2%	3.0%	5.8%	8.9%	10.7%	10.9%	11.2%	4.7%	1.4%	8.9%
Peregrine	4.2%	-1.3%	0.4%	-6.1%	-1.7%						
S&P 500 Growth	3.3%	3.4%	1.2%	2.5%	4.2%	6.2%	6.6%	8.1%	1.1%	-2.6%	7.3%
Mountain Pacific	1.1%	-1.6%	-1.5%	5.4%	8.2%	10.8%	12.1%	11.7%	7.9%	8.9%	11.3%
S&P 400	1.1%	-1.7%	-1.7%	2.4%	6.7%	15.4%	14.4%	15.4%	10.0%	10.9%	13.8%
TCW Domestic	3.5%	-1.0%	1.4%	6.8%	7.4%	14.6%					
S&P 400	1.1%	-1.7%	-1.7%	2.4%	6.7%	15.4%	14.4%	15.4%	10.0%	10.9%	13.8%
Donald Smith	4.8%	9.0%	4.6%	15.3%	24.1%	21.3%					
R3000	2.4%	2.5%	2.4%	5.7%	8.8%	12.0%	11.8%	12.3%	5.6%	2.6%	9.0%

GLOBAL EQUITY

	Month Ending	Quarter Ending	Fiscal Year	Cal Year Ending	1 Year Ending	2 Years Ending	3 Years Ending	4 Years Ending	5 Years Ending	7 Years Ending	10 Years Ending
Barings Global	0.9%	1.6%	2.1%	5.8%	14.7%	14.9%	14.2%	13.9%	7.5%	0.7%	7.0%
<i>MSCI World</i>	2.6%	3.3%	3.3%	9.9%	16.3%	17.5%	17.0%	15.6%	8.2%	3.4%	8.0%
Bernstein Global	2.4%	3.2%	3.9%	15.2%	23.8%	24.0%					
<i>MSCI World</i>	2.6%	3.3%	3.3%	9.9%	16.3%	17.5%	17.0%	15.6%	8.2%	3.4%	8.0%
Brandes	3.3%	7.1%	5.5%	14.7%	19.8%	19.3%	20.7%	20.0%	12.3%	12.9%	16.3%
<i>MSCI World</i>	2.6%	3.3%	3.3%	9.9%	16.3%	17.5%	17.0%	15.6%	8.2%	3.4%	8.0%
Capital Guardian	3.3%	2.6%	3.2%	7.8%	16.0%	17.1%	15.9%	17.3%			
<i>MSCI World</i>	2.6%	3.3%	3.3%	9.9%	16.3%	17.5%	17.0%	15.6%	8.2%	3.4%	8.0%
Zesiger	5.4%	1.2%	4.5%	14.3%	28.1%	27.3%	19.2%	26.4%	17.2%	14.3%	14.5%
<i>MSCI World</i>	2.6%	3.3%	3.3%	9.9%	16.3%	17.5%	17.0%	15.6%	8.2%	3.4%	8.0%

INTERNATIONAL EQUITY

MCM EAFE Index	2.8%	3.4%	3.8%	14.1%	24.1%	23.7%	23.1%	19.6%	11.8%	5.5%	8.0%
<i>MSCI EAFE</i>	2.8%	3.8%	3.8%	14.7%	24.8%	24.4%	24.0%	20.2%	12.2%	5.8%	7.4%
Mondrian	3.3%	6.5%	5.5%	15.5%	22.8%	24.3%					
<i>MSCI EAFE</i>	2.8%	3.8%	3.8%	14.7%	24.8%	24.4%	24.0%	20.2%	12.2%	5.8%	7.4%
Rowe Price	2.9%	2.6%	3.2%	7.9%	19.8%	21.5%	19.5%	16.9%	9.8%	4.6%	6.7%
<i>MSCI EAFE</i>	2.8%	3.8%	3.8%	14.7%	24.8%	24.4%	24.0%	20.2%	12.2%	5.8%	7.4%
Genesis Emg.	3.7%	4.5%	5.3%	11.4%	30.7%	38.8%	35.1%	34.1%	28.1%	19.1%	10.7%
<i>MSCI Emerging Mkt</i>	2.6%	3.9%	4.1%	11.8%	31.0%	36.6%	31.0%	30.6%	24.4%	12.5%	7.6%
Bernstein Emg.	2.1%	1.6%	3.3%	11.0%	26.0%	38.5%					
<i>MSCI Emerging Mkt</i>	2.6%	3.9%	4.1%	11.8%	31.0%	36.6%	31.0%	30.6%	24.4%	12.5%	7.6%
PERSI Emerging Mkt	2.9%	3.1%	4.3%	11.2%	28.3%	38.6%	34.3%	33.3%	26.7%	15.3%	9.6%
<i>MSCI Emerging Mkt</i>	2.6%	3.9%	4.1%	11.8%	31.0%	36.6%	31.0%	30.6%	24.4%	12.5%	7.6%

FIXED INCOME

	Month Ending	Quarter Ending	Fiscal Year	Cal Year Ending	1 Year Ending	2 Years Ending	3 Years Ending	4 Years Ending	5 Years Ending	7 Years Ending	10 Years Ending
State Street Index	1.6%	3.1%	2.9%	1.8%	1.0%	2.7%	3.9%	4.2%	4.9%	6.3%	6.5%
Lehman Gov/Credit	1.6%	3.1%	2.9%	1.7%	1.0%	2.6%	3.8%	4.2%	5.0%	6.3%	6.6%
Barings	1.5%	3.3%	3.4%	1.6%	1.6%	3.9%	4.7%	5.0%	5.5%	6.6%	7.2%
Lehman Aggregate	1.5%	3.1%	2.9%	2.2%	1.7%	2.9%	4.0%	4.1%	4.9%	6.3%	6.5%
Fidelity	1.2%	3.1%	2.9%	2.7%	2.7%						
Lehman Aggregate	1.5%	3.1%	0.0%	2.2%	1.7%	2.9%	4.0%	4.1%	4.9%	6.3%	6.5%
Western	1.9%	3.9%	3.7%	3.4%	2.6%						
Lehman Aggregate	1.5%	3.1%	0.0%	2.2%	1.7%	2.9%	4.0%	4.1%	4.9%	6.3%	6.5%
Clearwater MBS	1.4%	3.0%	2.9%	2.8%	2.7%	2.7%	4.4%	4.0%			
Lehman Mortgage	1.5%	3.1%	2.9%	2.8%	2.9%	3.5%	4.3%	3.8%	4.7%	6.2%	6.4%
DBF MBS	1.3%	3.0%	2.8%	2.8%	2.8%	3.1%	4.1%	3.6%	4.6%	6.2%	6.5%
Lehman Mortgage	1.5%	3.1%	2.9%	2.8%	2.9%	3.5%	4.3%	3.8%	4.7%	6.2%	6.4%
Idaho Mortgages	1.8%	3.7%	3.4%	2.1%	1.9%	3.1%	3.8%	3.8%	5.3%	7.1%	7.5%
Lehman Mortgage	1.5%	3.1%	2.9%	2.8%	2.9%	3.5%	4.3%	3.8%	4.7%	6.2%	6.4%
TIPS	2.3%	4.7%	4.4%	0.9%	1.2%	4.1%	6.8%	6.7%	8.0%		
Lehman TIPS	1.7%	3.7%	3.4%	1.6%	1.5%	3.6%	6.0%	6.1%	7.3%	8.4%	
Bridgewater	1.6%	2.5%	2.2%	2.5%	2.6%						
Lehman TIPS	1.7%	3.7%	0.0%	1.6%	1.5%	3.6%	6.0%	6.1%	7.3%	8.4%	

REAL ESTATE

PERSI Real Estate	1.6%	7.9%	4.3%	17.9%	23.0%	24.1%	26.1%	23.6%	21.3%	20.1%	18.4%
NCREIF	1.3%	3.9%	2.7%	12.1%	19.2%	18.2%	15.6%	13.5%	11.9%	11.8%	12.4%
Adelante	2.5%	11.9%	6.3%	24.1%	29.9%	29.4%	30.9%	27.5%	24.3%	22.6%	19.9%
Wilshire REIT	3.4%	13.3%	7.2%	22.6%	26.2%	27.0%	28.1%	25.1%	21.4%	20.6%	16.5%
Koll				0.2%	1.2%	2.0%					
NCREIF	1.3%	3.9%	2.7%	12.1%	19.2%	18.2%	15.6%	13.5%	11.9%	11.8%	12.4%
Prudential		3.8%	3.8%	14.9%	21.4%	19.5%	17.1%	15.3%	14.7%	13.1%	13.8%
NCREIF	1.3%	3.9%	2.7%	12.1%	19.2%	18.2%	15.6%	13.5%	11.9%	11.8%	12.4%

PRIVATE EQUITY

	Month Ending	Quarter Ending	Fiscal Year Ending	Cal Year Ending	1 Year Ending	2 Years Ending	3 Years Ending	4 Years Ending	5 Years Ending	7 Years Ending	10 Years Ending
PERSI Private Equity	2.8%	7.7%	4.3%	10.3%	22.1%	22.5%	24.3%	14.3%	6.7%	4.7%	6.1%
R3000	2.4%	2.5%	2.4%	5.7%	8.8%	12.0%	11.8%	12.3%	5.6%	2.6%	9.0%
IdaWest				24.1%	44.3%	29.7%	39.6%	28.4%	31.1%	26.6%	
Galen	7.2%	6.7%	6.7%	-4.1%	-1.6%	-4.3%	4.6%	2.1%	0.8%	1.5%	
Furman Selz	-6.7%	1.0%	1.0%	30.9%	47.2%	41.8%	64.3%	41.0%	30.3%	22.0%	
Harvest Ptnrs	-4.9%	-4.9%	-4.9%	-25.9%	-38.2%	-16.2%	-6.0%	-14.7%	-17.2%	-6.1%	
Kohlberg & Co.	7.0%	5.6%	5.6%	9.0%	-17.6%						
Providence	13.2%	17.8%	17.8%	17.7%	48.2%	48.7%	84.0%	57.0%	23.0%	21.3%	
Chisolm	9.6%	26.5%	8.8%	34.2%	52.5%	28.5%	15.4%	7.7%	-3.4%	-2.6%	
Littlejohn		19.6%	19.6%	7.2%	16.4%	81.7%	44.6%	18.2%	12.7%		
Oaktree		14.4%	14.4%	9.5%	16.7%	7.0%	19.9%	17.5%	11.3%		
Goense Bounds		-0.1%		7.7%	9.7%	20.0%	92.1%	55.9%	38.7%		
Zesiger	-1.8%	-6.6%	-3.1%	0.7%	11.2%	7.3%	5.1%	-3.6%	-8.6%		
Highway 12		0.9%	0.9%	26.5%	25.1%	7.3%	3.8%	-7.6%	-6.1%		
T3 Partners	0.0%	17.2%	0.0%	27.1%	52.3%	42.5%	25.7%	382.9%	240.2%		
Apollo		0.4%	-1.6%	5.8%	53.8%	61.9%	48.7%	40.8%	34.5%		
Thomas Lee		3.7%	3.7%	0.4%	3.3%	13.8%	13.7%	-1.6%			
Green Equity	5.5%	4.7%	6.4%	5.5%	-2.9%	23.6%					
Gores	-2.0%	1.5%	-2.0%	26.0%	21.3%	-0.6%					
W Capital		-2.2%	-2.2%	5.6%	14.2%	2.4%					
Frazier		-4.1%	-4.1%	-1.4%	1.1%	-10.1%					

DEFINED CONTRIBUTION PLAN

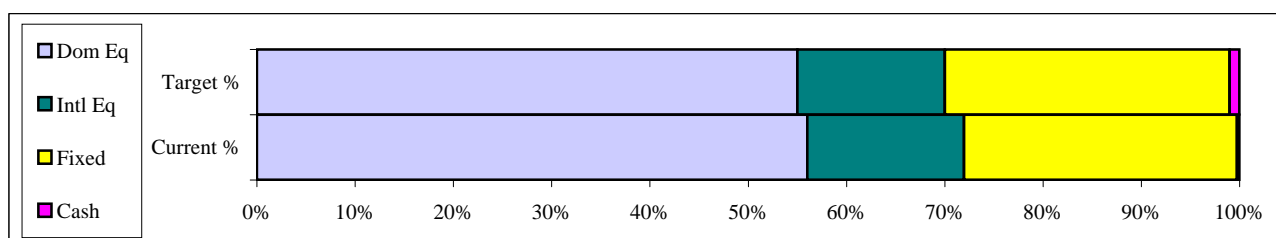
	Month Ending	Quarter Ending	Fiscal Year Ending	Cal Year Ending	1 Year Ending	2 Years Ending	3 Years Ending	4 Years Ending	5 Years Ending	7 Years Ending	10 Years Ending
MCM Wilshire 5000	2.3%	2.3%	2.1%	5.6%	8.9%	12.1%	11.9%	12.6%	6.1%		
<i>Wilshire 5000</i>	2.4%	2.2%	2.0%	5.6%	8.8%	12.3%	12.0%	12.7%	6.1%	2.7%	8.9%
MCM S&P500	2.3%	3.1%	3.0%	5.8%	8.9%	10.7%	11.0%	11.2%	4.8%		
<i>S&P 500</i>	2.4%	3.2%	3.0%	5.8%	8.9%	10.7%	10.9%	11.2%	4.7%	1.4%	8.9%
MCM Int. Index	2.8%	3.8%	3.8%	14.3%	24.4%	24.2%	22.3%	18.8%	13.6%		
<i>MSCI EAFE</i>	2.8%	3.8%	3.8%	14.7%	24.8%	24.4%	24.0%	20.2%	12.2%	5.8%	7.4%
MCM Aggregate Index	1.5%	3.1%	2.9%	2.1%	1.7%	2.9%	3.9%	4.0%	5.0%		
<i>Lehman Aggregate</i>	1.5%	3.1%	2.9%	2.2%	1.7%	2.9%	4.0%	4.1%	4.9%	6.3%	6.5%
Vanguard Growth & Inc	2.2%	2.0%	2.4%	5.1%	7.9%	10.5%	11.4%	11.1%	5.2%		
<i>Wilshire 5000</i>	2.4%	2.2%	2.0%	5.6%	8.8%	12.3%	12.0%	12.7%	6.1%	2.7%	8.9%
Dreyfus Midcap	-0.6%	-4.3%	-5.0%	-0.8%	2.2%	12.3%	10.8%	11.6%	7.5%		
<i>S&P 400</i>	1.1%	-1.7%	-1.7%	2.4%	6.7%	15.4%	14.4%	15.4%	10.0%	10.9%	13.8%
T. Rowe Price Small Cap	1.6%	-1.9%	4.4%	4.4%	9.1%	15.6%	13.7%				
<i>R2000</i>	3.0%	0.3%	-0.4%	7.8%	9.4%	16.0%	14.4%	17.9%	10.3%	9.1%	9.4%
Brandes International	3.3%	3.4%	3.5%	13.1%	22.7%	22.1%	23.6%	21.2%	13.7%		
<i>MSCI EAFE</i>	2.8%	3.8%	3.8%	14.7%	24.8%	24.4%	24.0%	20.2%	12.2%	5.8%	7.4%
Dodge & Cox	0.0%	0.0%	0.0%	1.1%	2.5%	3.3%	3.4%	3.8%	4.1%		
<i>Lehman Aggregate</i>	1.5%	3.1%	2.9%	2.2%	1.7%	2.9%	4.0%	4.1%	4.9%	6.3%	6.5%
Stable Value	0.0%	0.0%	0.0%	1.1%	2.5%	3.3%	3.4%	3.8%	4.1%		
Persi Total Return Fund	2.5%	3.4%	3.3%	7.5%	12.3%	13.7%	13.7%	13.2%	8.7%	6.7%	9.5%

Total Fund Summary

For the month of: August 2006

Performance Summary	blue = outperform by 50 bp; red = underperform by 50 bp (* Annualized)				
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Total Fund	2.5%	3.4%	12.3%	13.7%	8.7%
Policy Bench (55-15-30)	2.2%	2.9%	9.0%	11.2%	6.3%
Total Domestic Equity (Russell 3000)	2.8%	3.3%	14.3%	15.2%	8.2%
Russell 3000	2.4%	2.5%	8.8%	11.8%	5.6%
U.S. Equity (Russell 3000)	2.7%	1.8%	8.6%	11.1%	5.2%
Real Estate (NCREIF)	1.6%	7.9%	23.0%	26.1%	21.3%
Private Equity (Russell 2500)	2.8%	7.7%	22.1%	24.3%	6.7%
Global Equity (Russell 3000)	3.2%	3.5%	20.5%	18.4%	11.5%
Total International Equity (MSCI EAFE)	3.0%	3.8%	24.7%	24.2%	13.5%
Total Intl Equity ex Pareto (MSCI EAFE)	3.0%	3.7%	24.6%	24.6%	13.8%
MSCI EAFE (net dividends)	2.7%	3.8%	24.3%	23.5%	11.8%
Total Fixed Income (Lehman Aggregate)	1.7%	3.5%	1.9%	5.0%	5.9%
Lehman Aggregate	1.5%	3.1%	1.7%	4.0%	4.9%

Asset Allocation	blue = over allowable target range; red = under allowable target range		
	Month-End Mkt Value	Current %	Target %
U.S. Equity	\$ 2,748.4	27.8 %	
Real Estate	\$ 515.3	5.2 %	
Private Equity	\$ 333.5	3.4 %	
Global Equity	\$ 1,946.1	19.7 %	
Total Domestic Equity	\$ 5,543.3	56.0 %	55.0 %
Total International Equity	\$ 1,578.3	15.9 %	15.0 %
Total Fixed Income	\$ 2,750.5	27.8 %	29.0 %
Cash	\$ 25.2	0.3 %	1.0 %
Total Fund	\$ 9,897.0	100.0 %	100.0 %



Performance Commentary:

During the month, the Total Fund outperformed the Policy Benchmark (allocation of 55% domestic equity, 15% international equity, 30% fixed income) by approximately 30 basis points. All portions of the portfolio contributed to this relative outperformance, with the most value added coming from the Global Equity portion of the portfolio. For all longer time periods, the Total Fund remains ahead of the Policy Benchmark.

Total Fund
Month-End Performance

For the month of: August 2006

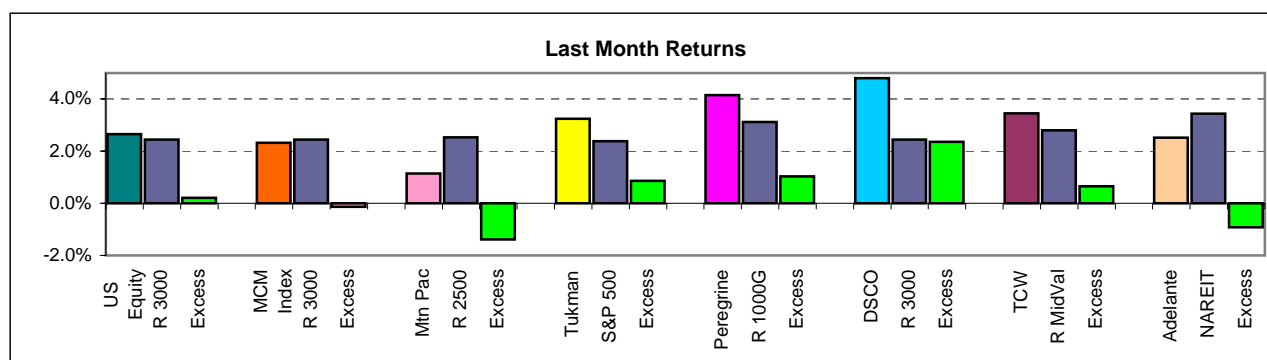
Manager (Style Benchmark)	blue = outperform by 50 bp; red = underperform by 50 bp (* Annualized)				
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Total Fund	2.5%	3.4%	12.3%	13.7%	8.7%
Policy Bench (55-15-30)	2.2%	2.9%	9.0%	11.2%	6.3%
Total Domestic Equity (Russell 3000) (Includes U.S. Eq, Gbl Eq, RE, PE)	2.8%	3.3%	14.3%	15.2%	8.2%
U.S. Equity ex RE, PE (Russell 3000)	2.7%	1.8%	8.6%	11.1%	5.2%
Russell 3000	2.4%	2.5%	8.8%	11.8%	5.6%
MCM Index Fund (Russell 3000)	2.3%	1.9%	8.2%	11.6%	5.5%
MCM S&P 500 (S&P 500)	2.4%	2.7%	8.4%	10.8%	4.6%
S&P 500	2.4%	3.2%	8.9%	11.0%	4.7%
MCM Mid Cap (Russell Midcap)	1.5%	-1.9%	6.4%	14.8%	9.1%
Russell Midcap	2.5%	0.4%	9.0%	17.0%	11.5%
MCM Russell 2000 (Russell 2000)	2.9%	-0.6%	8.5%	14.0%	10.1%
Russell 2000	3.0%	0.3%	9.4%	14.4%	10.3%
Donald Smith & Co. (Russell 3000)	4.8%	9.0%	24.1%	n/a	n/a
Russell 3000	2.4%	2.5%	8.8%	11.8%	5.6%
Tukman (S&P 500)	3.2%	3.9%	7.7%	5.3%	2.8%
S&P 500	2.4%	3.2%	8.9%	11.0%	4.7%
Peregrine (Russell 1000 Growth)	4.2%	-1.3%	-1.7%	n/a	n/a
Russell 1000 Growth	3.1%	0.8%	3.7%	7.0%	1.7%
Mountain Pacific (Russell 2500)	1.1%	-1.6%	8.2%	12.1%	7.9%
Russell 2500	2.5%	-0.6%	8.1%	15.1%	11.0%
TCW Domestic (Russell Midcap Value)	3.5%	-1.0%	7.4%	n/a	n/a
Russell Midcap Value	2.8%	2.8%	12.4%	20.3%	14.0%
Global Equity (Russell 3000)	3.2%	3.5%	20.5%	18.4%	11.5%
Russell 3000	2.4%	2.5%	8.8%	11.8%	5.6%
MSCI World	2.6%	3.3%	16.3%	17.0%	8.2%
MSCI AC World	2.6%	3.4%	17.2%	17.8%	9.0%
Baring (Wilshire 5000)	0.9%	1.6%	14.7%	14.2%	7.5%
Bernstein (MSCI ACWI)	2.4%	3.2%	23.8%	n/a	n/a
Brandes (Russell 3000)	3.3%	7.1%	19.8%	20.7%	12.3%
Capital Guardian (Russell 3000)	3.3%	2.6%	16.0%	15.9%	n/a
Zesiger (Wilshire 5000)	5.4%	1.2%	28.1%	19.2%	17.2%

Total Fund Month-End Performance For the month of: August 2006					
Manager (Style Benchmark)	blue = outperform by 50 bp; red = underperform by 50 bp				(* Annualized)
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Real Estate (NCREIF)	1.6%	7.9%	23.0%	26.1%	21.3%
Adelante REITs (Wilshire REIT)	2.5%	11.9%	29.9%	30.9%	24.3%
Wilshire REIT	3.4%	13.3%	26.2%	28.1%	21.4%
Prudential (NCREIF)	0.0%	3.8%	21.4%	17.1%	14.7%
NCREIF	1.3%	3.9%	19.2%	15.6%	11.9%
Koll/PER	n/a	n/a	1.2%	n/a	n/a
Private Equity (Russell 2500)	2.8%	7.7%	22.1%	24.3%	6.7%
Russell 2500	2.5%	-0.6%	8.1%	15.1%	11.0%
Int'l Equity (MSCI EAFE)	3.0%	3.8%	24.7%	24.2%	13.5%
Int'l Equity ex Pareto	3.0%	3.7%	24.6%	24.6%	13.8%
MSCI EAFE (net dividends)	2.7%	3.8%	24.3%	23.5%	11.8%
MCM International (MSCI EAFE)	2.8%	3.4%	24.1%	23.1%	11.8%
Mondrian (MSCI EAFE)	3.3%	6.5%	22.8%	n/a	n/a
T. Rowe Price (FTSE World ex US)	2.9%	2.6%	19.8%	19.5%	9.8%
Genesis (MSCI EMF)	3.7%	4.5%	30.7%	35.1%	28.1%
Bernstein (MSCI EMF)	2.1%	1.6%	26.0%	n/a	n/a
MSCI EMF	2.6%	3.9%	31.0%	31.0%	24.4%
Total Fixed Income (Lehman Aggregate)	1.7%	3.5%	1.9%	5.0%	5.9%
Lehman Aggregate	1.5%	3.1%	1.7%	4.0%	4.9%
Baring (Lehman Aggregate)	1.5%	3.3%	1.6%	4.7%	5.5%
Fidelity (Lehman Aggregate)	1.2%	3.1%	2.7%	n/a	n/a
Western (Lehman Aggregate)	1.9%	3.9%	2.6%	n/a	n/a
SSgA Gov/Corp (Lehman G/C)	1.6%	3.1%	1.0%	3.9%	4.9%
Lehman Gov/Corp	1.6%	3.1%	1.0%	3.8%	5.0%
DBF Idaho Mortgages (Lehman Mortgage)	1.8%	3.7%	1.9%	3.8%	5.3%
Lehman Treasury	1.5%	3.1%	0.8%	3.4%	4.5%
DBF MBS (Lehman Mortgage)	1.3%	3.0%	2.8%	4.1%	4.6%
Lehman Mortgage	1.5%	3.1%	2.9%	4.3%	4.7%
Clearwater TBA (ML Mortgage)	1.4%	3.0%	2.7%	4.4%	n/a
ML Mortgage Master	1.5%	3.2%	3.0%	4.3%	4.9%
Bridgewater (Lehman TIPS)	1.6%	2.5%	2.6%	n/a	n/a
SSgA TIPS (Lehman TIPS)	2.3%	4.7%	1.2%	6.8%	8.0%
Lehman TIPS	1.7%	3.7%	1.5%	6.0%	7.3%
Cash					
Clearwater: PERSI STIF (90-day LIBOR)	0.5%	1.3%	4.7%	2.8%	n/a
90-day LIBOR	0.4%	1.3%	4.8%	2.9%	2.5%
Mellon EB Temp Inv Fund	0.5%	1.3%	4.7%	2.9%	2.5%

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Total U.S. Equity
Russell 3000 Benchmark
For the month of: August 2006

Performance Calculations	blue = outperform by 50 bp; red = underperform by 50 bp (* Annualized)				
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Total U.S. Equity ex RE and PE	2.7%	1.8%	8.6%	11.1%	5.2%
Russell 3000	2.4%	2.5%	8.8%	11.8%	5.6%
MCM Index Fund Total (RU 3000)	2.3%	1.9%	8.2%	11.6%	5.5%
Donald Smith & Co. (RU 3000)	4.8%	9.0%	24.1%	n/a	n/a
Tukman (S&P 500)	3.2%	3.9%	7.7%	5.3%	2.8%
S&P 500	2.4%	3.2%	8.9%	11.0%	4.7%
Peregrine (RU 1000 Growth)	4.2%	-1.3%	-1.7%	n/a	n/a
Russell 1000 Growth	3.1%	0.8%	3.7%	7.0%	1.7%
Mountain Pacific (RU 2500)	1.1%	-1.6%	8.2%	12.1%	7.9%
Russell 2500	2.5%	-0.6%	5.6%	16.3%	17.9%
TCW Domestic (RU MidcapValue)	3.5%	-1.0%	14.6%	n/a	n/a
Russell Midcap Value	2.8%	2.8%	12.4%	20.3%	14.0%
Total U.S. Equity incl RE and PE	2.5%	3.2%	11.4%	13.6%	6.8%
Adelante REITs (Wilshire REIT)	2.5%	11.9%	29.9%	30.9%	24.3%
Total RE	1.6%	7.9%	23.0%	26.1%	21.3%
Wilshire REIT	3.4%	13.3%	26.2%	28.1%	21.4%
Total PE	2.8%	7.7%	22.1%	24.3%	6.7%
Russell 2500	2.5%	-0.6%	8.1%	15.1%	11.0%



Performance Commentary:

The Total U.S. Equity portion of the portfolio, including Real Estate and Private Equity, kept pace with the broad domestic equity markets during the month. Donald Smith was the top-performer, generating a return of 4.8%, followed closely by Peregrine (4.2%), TCW Domestic (3.5%), and Tukman (3.2%), all of whom added value during the month. Mountain Pacific was the only manager to underperform during the month. Adelante underperformed the Wilshire REIT index while the Private Equity portion of the portfolio was slightly ahead of the Russell 2500 index. Without the Real Estate and Private Equity component, the Total U.S. Equity portion of the portfolio lags benchmark returns for all longer time periods; including the Real Estate and Private Equity portions of the portfolio, the Total U.S. Equity portion remains ahead of benchmark returns for all longer time periods.

Total U.S. Equity Portfolio Analysis

MCM Russell 3000 Index Fund Characteristics used as Russell 3000 Index Data (RU3000)

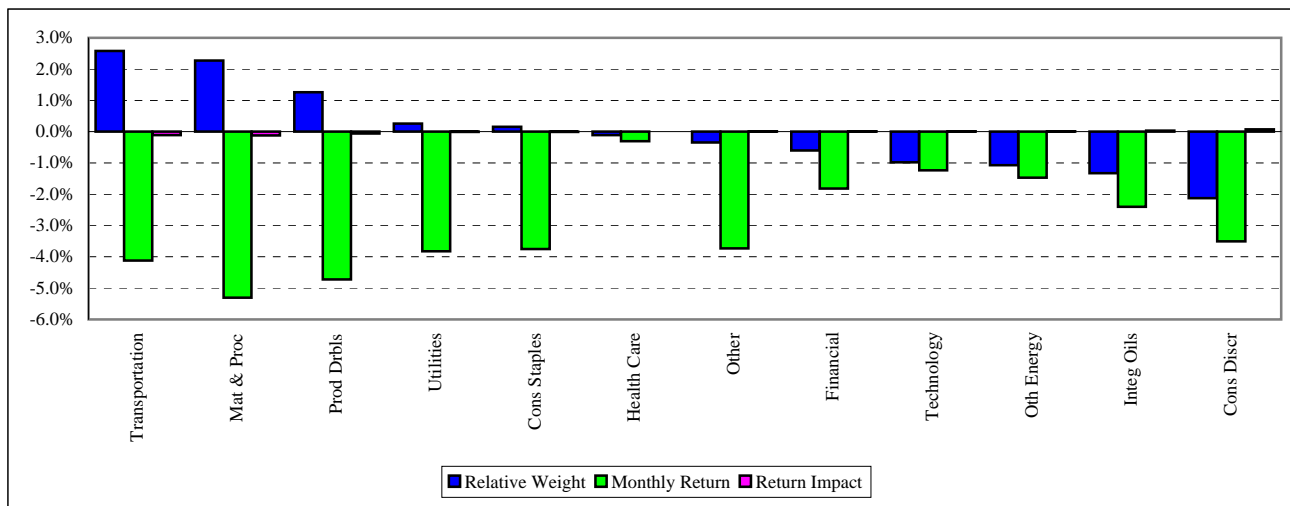
"U.S. Equity (U.S. Eq)" does not include RE or PE; "Domestic Equity (Dom Eq)" includes U.S. allocation of Global Equity Managers

Portfolio Characteristics

	<u>U.S. Eq</u>	<u>Dom Eq</u>	<u>RU 3000</u>		<u>U.S. Eq</u>	<u>Dom Eq</u>	<u>RU 3000</u>
Wtd Cap (\$ b)	\$ 67.13	\$ 62.33	\$ 76.13	Beta	1.07	1.02	1.00
Price/Earnings (P/E)	18.52	19.37	17.49	Dividend Yield (%)	1.60	1.71	1.77
P/E ex Neg	17.68	18.57	17.05	5 Yr DPS Growth	10.95	10.46	11.21
Price/Book Value (P/BV)	2.60	2.65	2.68	ROE	19.56	18.68	20.51
EPS 5Yr Growth	15.29	13.91	16.64	ROA	6.74	6.45	7.12
Debt/Equity	1.14	1.20	1.14				

Sector Allocations

<u>Sectors</u>	<u>U.S. Eq</u>	<u>RU 3000</u>	<u>Relative</u>	<u>RU 3000</u>	<u>Return</u>
	<u>Alloc</u>	<u>Alloc</u>	<u>Weight</u>	<u>Return</u>	<u>Impact</u>
Transportation	5.2%	2.6%	2.6%	-4.1%	-0.11%
Mat & Proc	6.7%	4.4%	2.3%	-5.3%	-0.12%
Prod Drbls	6.0%	4.8%	1.3%	-4.7%	-0.06%
Utilities	7.6%	7.3%	0.3%	-3.8%	-0.01%
Cons Staples	7.0%	6.8%	0.2%	-3.7%	-0.01%
Health Care	12.4%	12.5%	-0.1%	-0.3%	0.00%
Other	3.5%	3.9%	-0.3%	-3.7%	0.01%
Financial	22.6%	23.2%	-0.6%	-1.8%	0.01%
Technology	11.3%	12.3%	-1.0%	-1.2%	0.01%
Oth Energy	3.2%	4.3%	-1.1%	-1.5%	0.02%
Integ Oils	3.8%	5.1%	-1.3%	-2.4%	0.03%
Cons Discr	10.8%	12.9%	-2.1%	-3.5%	0.07%



Total Global Equity
Russell 3000 Benchmark
For the month of: August 2006

Performance Calculations

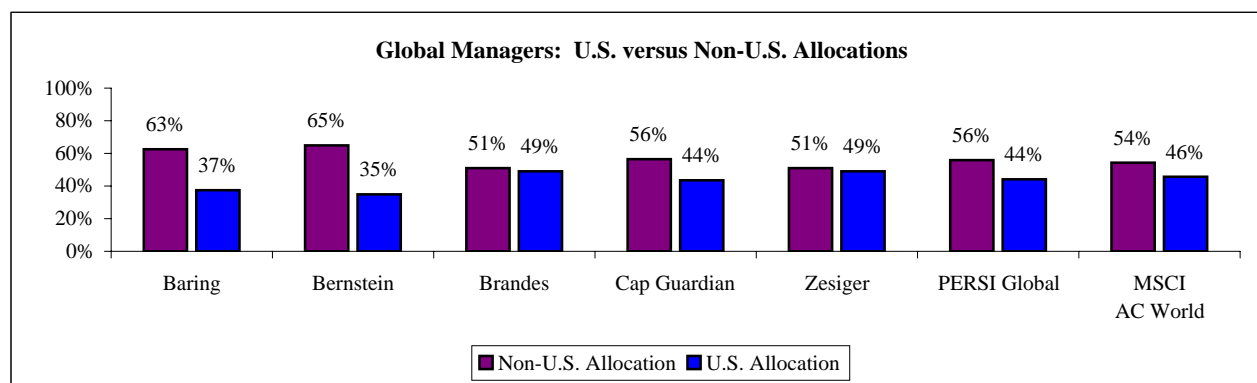
blue = outperform by 50 bp; red = underperform by 50 bp

(* Annualized)

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Total Global Equity	3.2%	3.5%	20.5%	18.4%	11.5%
Russell 3000	2.4%	2.5%	8.8%	11.8%	5.6%
MSCI World	2.6%	3.3%	16.3%	17.0%	8.2%
Baring (Wil 5000)	0.9%	1.6%	14.7%	14.2%	7.5%
Bernstein (MSCI ACWI)	2.4%	3.2%	23.8%	n/a	n/a
Brandes (Wil 5000)	3.3%	7.1%	19.8%	20.7%	12.3%
Capital Guardian (RU 3000)	3.3%	2.6%	16.0%	15.9%	n/a
Zesiger (Wil 5000)	5.4%	1.2%	28.1%	19.2%	17.2%

Country Allocation Summary

Over-weight Countries	Total Global	MSCI ACW	Under-weight Countries	Total Global	MSCI ACW
Netherlands	4.6%	1.5%	U.K.	7.0%	10.6%
India	2.1%	0.4%	Canada	1.4%	3.5%
S. Korea	2.7%	1.3%	U.S.	44.1%	45.7%



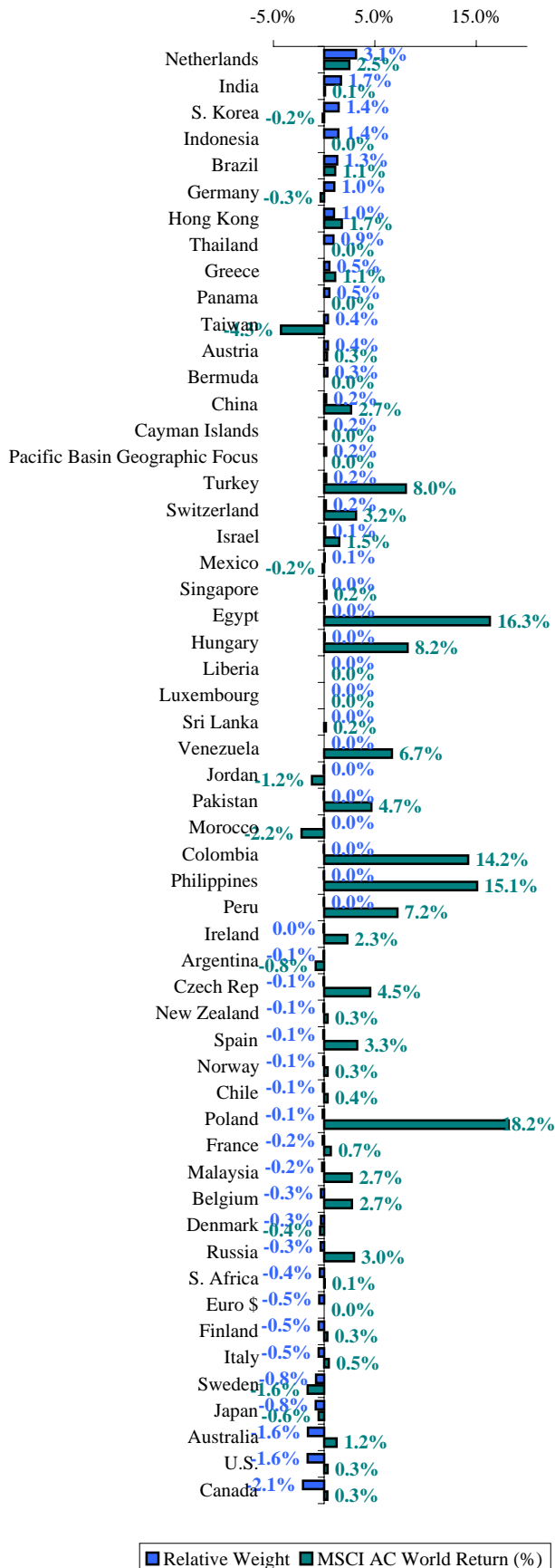
Performance Commentary:

The Global Equity portion of the portfolio outperformed both the Russell 3000 and MSCI World indexes by approximately 80 and 60 basis points respectively during the month. Zesiger, the only manager to underperform last month, rebounded to be our best-performing manager this month, generating a return of 5.4%. Brandes and Capital Guardian also added value with a return of 3.3%. Bernstein fell behind the MSCI World index by about 20 basis points, while keeping pace with the Russell 3000 index (2.4%); while Baring underperformed relative to both the domestic and world markets. The Total Global Equity portion of the portfolio continues to exceed benchmark returns for all longer time periods.

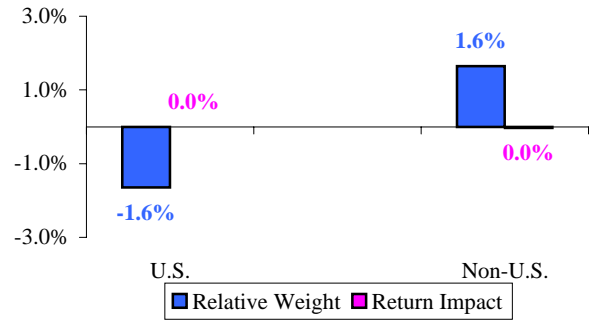
Total Global Equity

Country Allocations versus MSCI AC World Benchmark

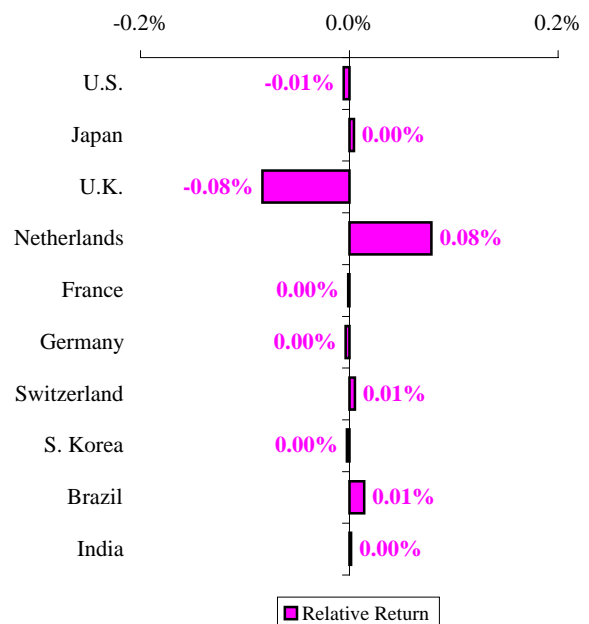
Relative Weights & Benchmark Returns



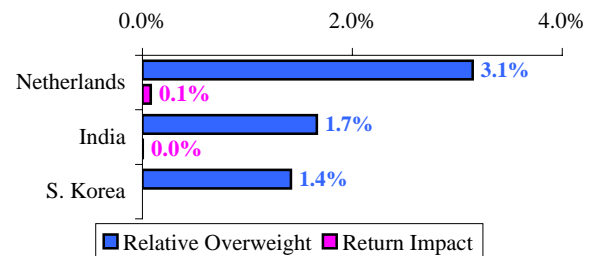
US vs Non-US: Relative Weight & Returns



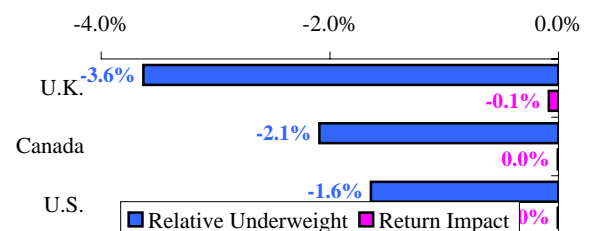
Top 10 Allocations - Return Impact



Relative Overweight & Return Impact



Relative Underweight & Return Impact

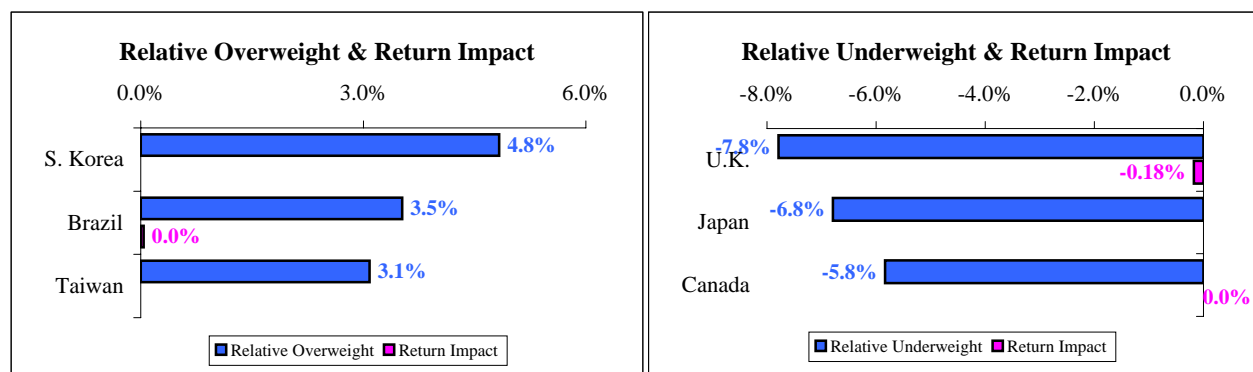


Total International Equity
MSCI EAFE Benchmark
For the month of: August 2006

Performance Calculations	blue = outperform by 50 bp; red = underperform by 50 bp (* Annualized)				
	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Total International Equity	3.0%	3.8%	24.7%	24.2%	13.5%
Total Intl Equity ex Pareto	3.0%	3.7%	24.6%	24.6%	13.8%
MSCI EAFE (Net Dividends)	2.7%	3.8%	24.3%	23.5%	11.8%
Mondrian (MSCI EAFE)	3.3%	6.5%	22.8%	n/a	n/a
Rowe Price (FTSE)	2.9%	2.6%	19.8%	19.5%	9.8%
Bernstein (MSCI EMF)	2.1%	1.6%	26.0%	n/a	n/a
Genesis (MSCI EMF)	3.7%	4.5%	30.7%	35.1%	28.1%
MSCI EMF (Gross)	2.6%	3.9%	31.0%	31.0%	24.4%

Country Allocation Summary:

Over-weight Countries	Total Intl Unhedged	MSCI ACW ex U.S.	Under-weight Countries	Total Intl Unhedged	MSCI ACW ex U.S.
S. Korea	7.2%	2.4%	U.K.	11.8%	19.6%
Brazil	5.0%	1.5%	Japan	12.6%	19.4%
Taiwan	4.8%	1.7%	Canada	0.6%	6.4%

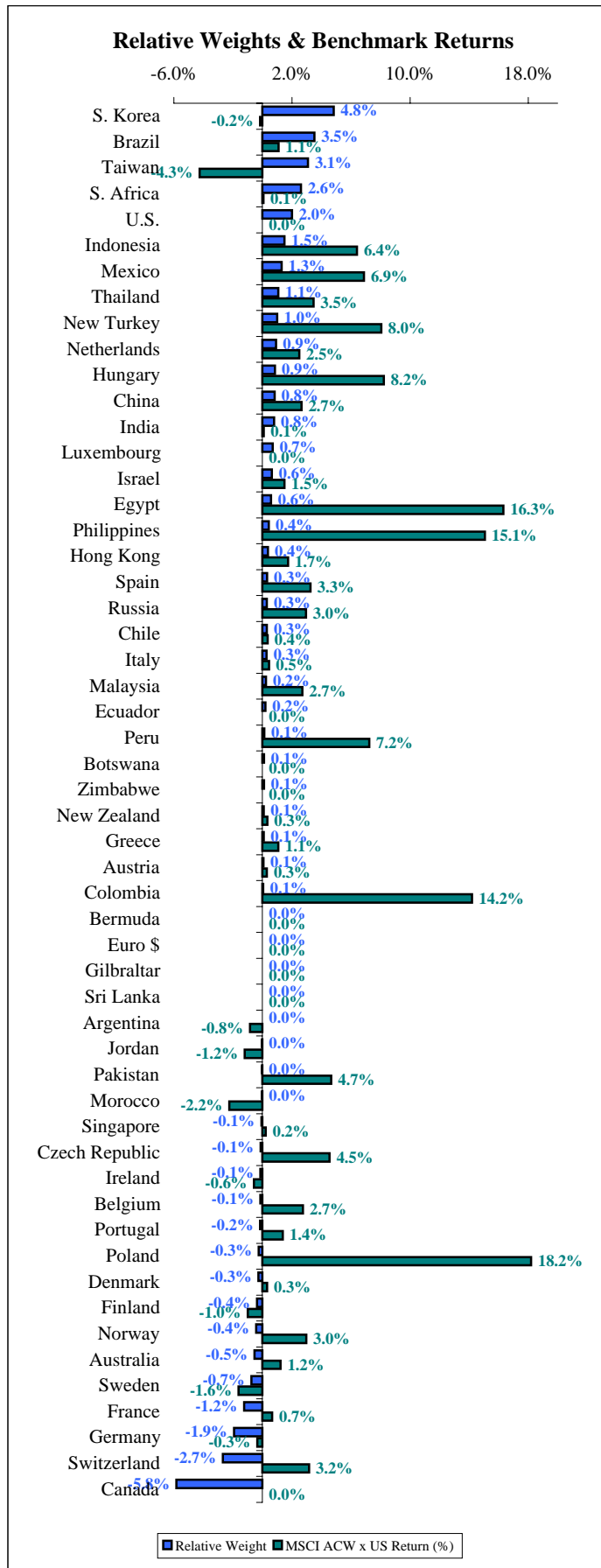


Performance Commentary:

During the month, the Total International Equity portion of the portfolio exceeded the MSCI EAFE index return of 2.7%. Between our developed market managers, Mondrian once again added value, generating a return of 3.3%, while Rowe Price also added value with a return of 2.9%. The emerging markets kept pace with the developed markets, with the MSCI EMF return of 2.6% for the month. Genesis generated a return of 3.7%, adding value over the MSCI EMF return, while Bernstein fell slightly behind with a return of 2.1%. The Total International Equity portion of the portfolio remains ahead of the MSCI EAFE benchmark for all longer time periods.

Total International Equity

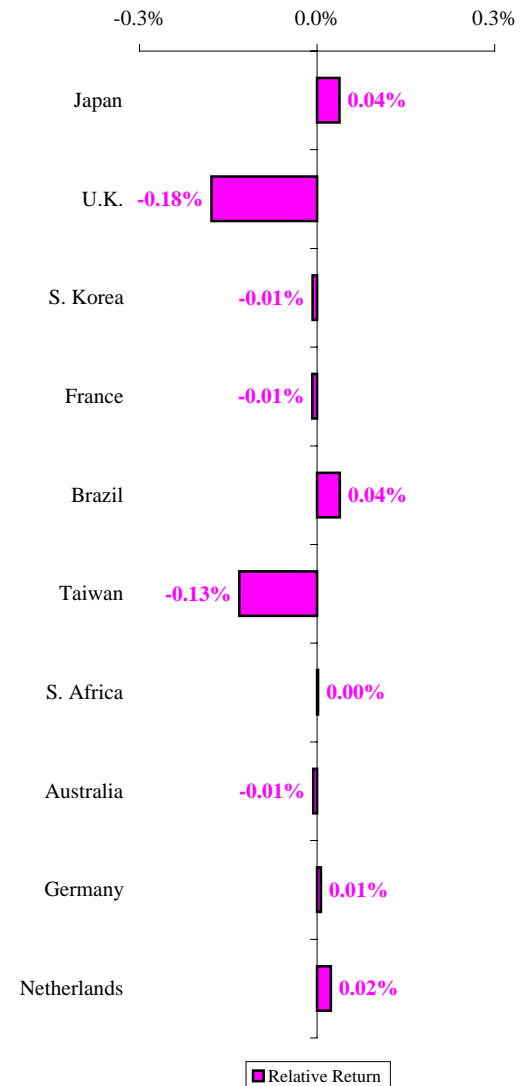
Country Allocations versus MSCI ACW ex U.S. Benchmark



Top 10 Country Allocations by \$ Invested

Country	PERSI Alloc (\$m)	Relative Weight
Japan	\$ 199.58	-6.79%
U.K.	\$ 186.69	-7.79%
S. Korea	\$ 113.40	4.83%
France	\$ 104.77	-1.23%
Brazil	\$ 78.95	3.52%
Taiwan	\$ 76.44	3.08%
S. Africa	\$ 59.99	2.62%
Australia	\$ 58.03	-0.54%
Germany	\$ 57.44	-1.92%
Netherlands	\$ 56.76	0.92%

Top 10 Allocations - Return Impact



Total Fixed Income
Lehman Aggregate Benchmark
For the month of: August 2006

Performance Calculations blue = outperform by 10 bp; red = underperform by 10 bp (* Annualized)

	<u>Last Month</u>	<u>Last 3 Months</u>	<u>Last 1 Year</u>	<u>Last 3 Years*</u>	<u>Last 5 Years*</u>
Total Fixed Income	1.7%	3.5%	1.9%	5.0%	5.9%
Lehman Aggregate	1.5%	3.1%	1.7%	4.0%	4.9%
Total Domestic Fixed	1.8%	3.7%	1.6%	5.0%	6.2%
SSGA G/C (Leh G/C)	1.6%	3.1%	1.0%	3.9%	4.9%
Lehman Gov/Corp	1.6%	3.1%	1.0%	3.8%	5.0%
DBF MBS (Leh Mtge)	1.3%	3.0%	2.8%	4.1%	4.6%
Clearwater TBAs (Leh Mtg)	1.4%	3.0%	2.7%	4.4%	n/a
Lehman Mortgage	1.5%	3.1%	2.9%	4.3%	4.7%
DBF Mortgages (Leh Mtg)	1.8%	3.7%	1.9%	3.8%	5.3%
Lehman Treasury Bond	1.5%	3.1%	0.8%	3.4%	4.5%
SSGA TIPS (Leh TIPS)	2.3%	4.7%	1.2%	6.8%	8.0%
Lehman TIPS	1.7%	3.7%	1.5%	6.0%	7.3%
Total Global Fixed (Leh Aggr)	1.6%	3.2%	2.4%	5.0%	4.4%
Baring (Leh Aggr)	1.5%	3.3%	1.6%	4.7%	5.5%
Fidelity (Leh Aggr)	1.2%	3.1%	2.7%	n/a	n/a
Lehman Aggregate	1.5%	3.1%	1.7%	4.0%	4.9%
Lehman Global Bond	1.2%	1.4%	1.6%	5.9%	7.1%
Bridgewater Global I/L (Leh TIPS)	1.6%	2.5%	2.6%	n/a	n/a
Lehman TIPS	1.7%	3.7%	1.5%	6.0%	7.3%
Western Core Full + (Leh Aggr)	1.9%	3.9%	2.6%	n/a	n/a
Lehman Aggregate	1.5%	3.1%	1.7%	4.0%	4.9%
LIBOR + 300 bp	0.4%	1.3%	4.8%	2.9%	2.5%

Performance Commentary:

The Total Fixed Income portion of the portfolio exceeded the Lehman Aggregate return by approximately 20 basis points during the month. The SSgA Gov/Corp and Barings global fixed income portfolios generated returns in line with their respective benchmarks. Detracting from performance were the DBF MBS, Clearwater TBA, Fidelity core plus and the Bridgewater global TIPS portfolios, which underperformed relative to their respective benchmarks; this relative underperformance was offset by the value added by the DBF Mortgage, SSgA TIPS and Western portfolios, all of which added value over their respective benchmarks. For all longer time periods, the Total Fixed Income portion of the portfolio remains ahead of the Lehman Aggregate return.

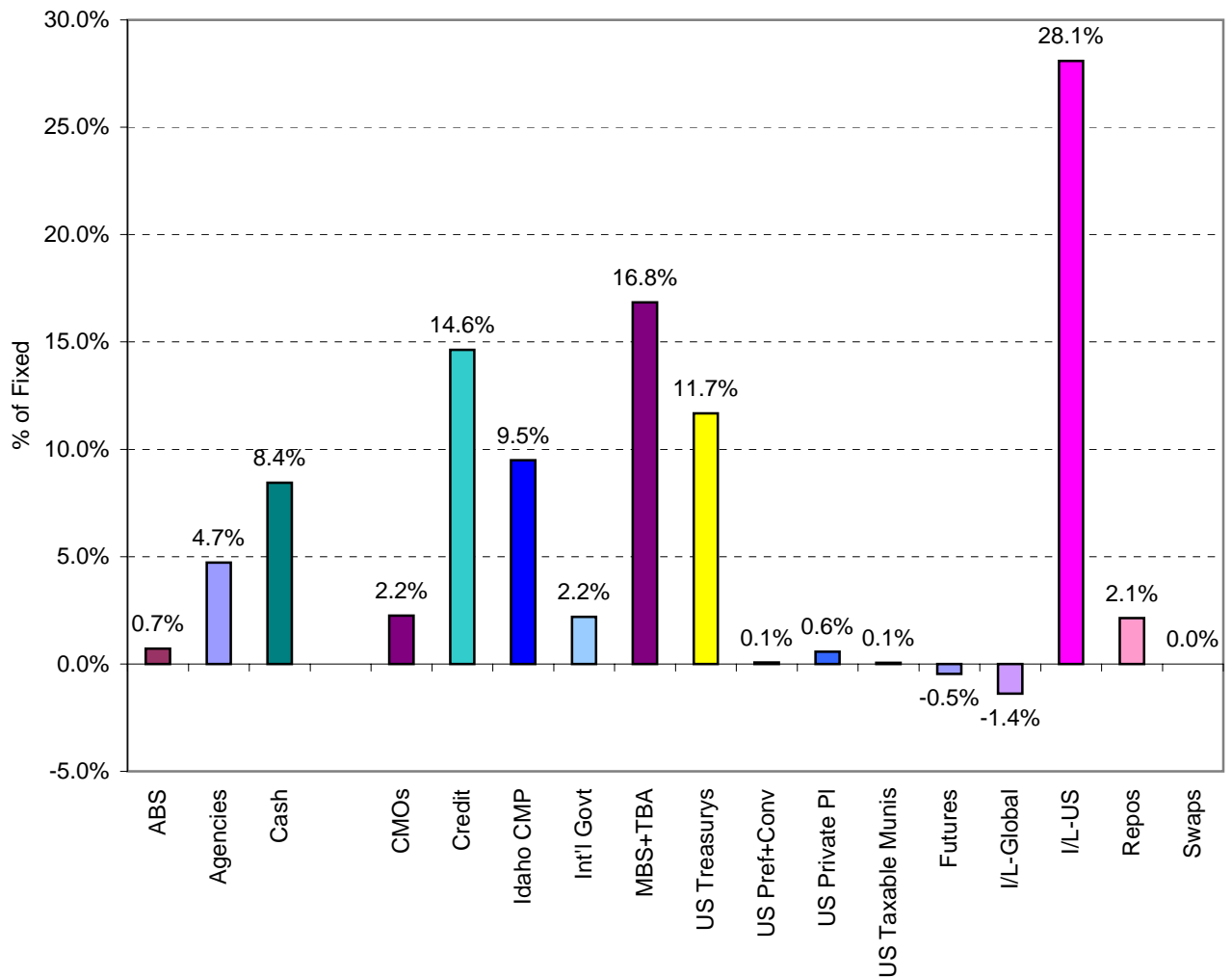
Total Fixed Income
Lehman Aggregate Benchmark
For the month of: August 2006

Portfolio Attributes** (as reported by Russell/Mellon)

**** excludes ID Mortgages**

	<u>Coupon</u>	<u>Moody Quality</u>	<u>Current Yield</u>	<u>Yield to Maturity</u>	<u>Option Adj Duration</u>	<u>Modified Duration</u>	<u>Effective Convexity</u>	<u>Number of Holdings</u>
Total Fixed	4.05%	AAA	4.60%	11.53%	5.56	6.22	0.60	2,683
SSGA G/C	5.41%	AA1	5.13%	5.42%	5.05	5.15	0.49	1,701
DBF MBS	5.67%	AGY	5.70%	5.97%	3.94	4.80	(1.13)	37
SSGA TIPS	3.57%	UST	3.14%	5.06%	9.70	11.04	1.52	7
Bridgewater	1.39%	-	2.25%	5.22%	4.42	5.92	0.81	21
Clearwater TBA	5.43%	AAA	5.47%	5.59%	0.10	0.63	0.00	13
Baring	3.59%	AAA	5.03%	44.15%	5.22	4.52	0.34	44
Western	5.64%	AA2	5.71%	32.51%	3.77	4.99	-	248
Fidelity	5.25%	AA2	5.34%	5.93%	4.06	4.56	0.15	611

Sector Allocations



ADELANTE (PUBLIC RE - REITS)
DOMESTIC EQUITY: WILSHIRE REIT BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Adelante Total Return	2.52%	11.95%	29.94%	30.85%	24.21%
Wilshire REIT Index	3.44%	13.31%	26.18%	28.07%	21.39%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

For the month ending August 31, 2006 - The Account underperformed the Dow Jones Wilshire REIT Index by 92 basis points. While security selection was a drag, the portfolio's sector allocation to cash was the greater contributor to our relative performance. On August 28, \$20 million was returned to PERSI. Our best performing holding was Equity Residential Properties, gaining 7.2%. Essex is an apartment REIT with a national footprint. We exited our position in United Dominion Realty, an apartment REIT, and Lexington Corporate Properties. We have begun to establish a position in General Growth Properties, a regional mall REIT.

For the quarter ending August 31, 2006 - The Account underperformed the Dow Jones Wilshire REIT Index ("Index") by 136 basis points. Cash was a major drag as well as the surge in the performance of the Storage REIT sector. Security selection was a very small positive contributor, led by our Regional Mall and Office holdings. For the quarter, the Storage sector was the best performing sector, advancing 21.6%, as the Public Storage / Shurgard merger was completed and a new management team joined U Store It. The Manufactured Housing sector had the most disappointing results, advancing 2.9, over the trailing quarter. Boston Properties was our best performing holding, gaining 21.0%.

Outlook – August delivered much better results than anticipated. This was the first slow month this year from a deal and news view point. We are continuing to prepare for the closing of the Pan Pacific Realty acquisition by Kimco Realty, at which time we will have cash to redeploy in the portfolio. We continue to monitor the private market demand for real estate assets to see what impact capital flows, slower economic growth and sentiment have on cap rates. Our sources have suggested that the 4th Quarter 2006 will be quite active.

MANAGER STYLE SUMMARY

Adelante (formerly Lend Lease Rosen) manages the public real estate portfolio, comprised of publicly-traded real estate companies, primarily real estate investment trusts (REITs). Investments will generally fall into one of three categories as described in the Portfolio Attributes section: Core holdings, Takeover/Privatization candidates, and Trading Opportunities. Typical portfolio characteristics include current pricing at a discount relative to the underlying real estate value, attractive dividend prospects, low multiple valuations (P/FFO), and expert management. Chadwick Saylor (in conjunction with Hamilton Lane) oversees the investments in this portfolio, along with the private real estate portion.

ADELANTE (PUBLIC RE - REITS)
DOMESTIC EQUITY: WILSHIRE REIT BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	Adelante	Wilshire REIT	Calc	Min	Max	Compliance
B2. All securities are publicly-traded real estate companies, primarily real estate investment trusts						ok
B3. Mkt Cap of Issuers of Securities in the Account				\$250		ok
B4. Single Security Positions <= 30% @ purchase						ok
B6a. P/FFO (12-mo trail)	21.60	18.79	1.15		1.30	ok
B6b. Beta	0.93	1.00	0.93	0.70	1.30	ok
B6c. Dividend Yield	3.00	3.67	0.82	0.80	2.00	ok
B6d. Expected FFO Growth	7.65	9.16	84%	80%	120%	ok
E2. Commissions not to exceed \$0.06/share						ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

PORTFOLIO ATTRIBUTES

Portfolio Guidelines section B5

Core Holdings (40% - 100%)

Actual: 72% ok

Consists of investments with the following characteristics: premier asset portfolios and management teams, attractive dividend yields, low multiple valuations, real estate property types or regions that are less prone to experience the impact of an economic slowdown.

Takeover/Privatization Candidates (0% - 15%)

Actual: 10% ok

Focuses on smaller companies which may be attractive merger candidates or lack the resources to grow the company in the longer-term. Also focuses on companies which may have interest in returning to the private market due to higher private market valuations.

Trading Arbitrage (0% - 20%)

Actual: 13% ok

Focuses on high quality companies which may become over-sold as investors seek liquidity.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

BARING ASSET MANAGEMENT, INC.
GLOBAL EQUITY: WILSHIRE 5000 BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Baring Equity	0.90%	1.60%	14.70%	14.20%	7.30%
Wilshire 5000	2.30%	2.40%	8.90%	12.10%	6.20%
MSCI ACWI	2.60%	3.40%	17.20%	17.80%	9.00%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Global equity markets rallied in August, and have now regained much of their losses from the correction in May-June. Strong earnings for the second quarter were the primary reason, rising 16% year-over-year in the US. Globally and in aggregate, earnings were ahead of expectations and margins remain at or near post WW2 highs. A slowdown in US house price inflation from over 15% year-over-year in late 2005 to around 1% today weakened housing related shares, but failed to spread to other sectors.

All geographic areas participated in the rise, with Europe ex UK leading. In spite of the ECB raising interest rates to 3.0% in early August, European rates remain low relative to other OECD countries, except Japan. They are still perceived to be accommodative. All sectors were positive, with information technology leading. Technology had been particularly weak year-to-date, so a bounce-back was to be expected, but we remain sceptical as to the sustainability of this leadership. Valuations remain rich relative to the market.

Amongst purchases, we bought Mediatek, the Taiwanese manufacturer of memory chipsets. We are attracted by consumers' increasing demand for memory-hungry electronic devices, and believe Mediatek is well positioned to benefit. Amongst sales, we sold US energy drilling contractor, Transocean Inc. Transocean has reaped the benefits of the rise in crude oil prices for several years, but we are now concerned that cost inflation will exceed commodity price inflation, resulting in lower profitability.

Your portfolio underperformed during August, owing to its underweight position in technology (which bounced) and its overweight position in energy (which lagged). US consumer discretionary stocks, Scientific Games (lottery systems) and J Crew (the clothing retailer) also negatively impacted performance.

ORGANIZATIONAL/PERSONNEL CHANGES

none

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	n/a			

MANAGER STYLE SUMMARY

Baring tends to be a "top-down" manager, focusing on country and sector allocations with individual stock selection as a secondary consideration. Until the second half of 2004, Barings was asked to customize their portfolio to maintain a large cap growth exposure. Since then, Barings has implemented their fully integrated approach, which should result in portfolio characteristics similar to that of the benchmark, although they may have a tendency toward mid-capitalization stocks. Barings is not a "closet indexer" and is willing to have no presence in a country/region if they feel prospects are poor - this implies more volatility in returns compared to other global managers. Barings will actively hedge foreign currency exposures.

BARING ASSET MANAGEMENT, INC.
GLOBAL EQUITY: WILSHIRE 5000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	Index	Baring EQ	Calc	Min	Max	Compliance
A1. ETF Security position <= 5% of the account @ purchase						ok
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		85		85	120	ok
B5. Normal Regional Exposures:						
United States & Canada		32%		30%	80%	ok
United Kingdom		12%		0%	30%	ok
Europe ex U.K.		28%		5%	40%	ok
Japan		10%		0%	25%	ok
Pacific ex Japan (Developed Index)		5%		0%	20%	ok
Non-Index Countries (All Emerging)		10%		0%	15%	ok
Cash & Hedges		2%				
Total		100%				
B6. Normal Global Portfolio Characteristics (MSCI All Country World)						
Capitalization	63,654	51,267	81%	70%	130%	ok
Price/Book Value	2.5	2.8	111%	80%	140%	ok
Price/Earnings (Next 12 mo)	13.7	13.3	97%	90%	120%	ok
Price/Cash Flow	8.7	8.9	103%	80%	140%	ok
Dividend Yield	2.2	1.8	84%	60%	120%	ok
Return on Equity	15.5	16.3	105%	75%	150%	ok
Return on Equity (5-Yr Avg)	17.8	-28.0	-157%	75%	150%	check
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						ok
F3. Annual turnover		79%			120%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B6. ROE (5-Yr Avg): Attributed to two securities, Amylin and Invensys, as noted last month.

BARING ASSET MANAGEMENT, INC.
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Baring FX	1.57%	3.46%	1.69%	4.72%	5.55%
Lehman Aggregate	1.53%	3.12%	1.71%	3.98%	4.87%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The Portfolio returned 1.57% versus the benchmark return of 1.53%.

Global government bond markets rallied strongly during August, continuing July's good run. US Treasuries were well supported and the yield curve flattened as the long-end outperformed. The Federal Reserve Open Markets Committee kept interest rate on hold at the beginning of the month, providing investors with confidence to buy long-dated bonds. Data has been softening for some months and the Committee decided that 5.25% was a sufficient level at which to assess the impact of earlier rate hikes.

Other government markets were also strong in August. European government bonds enjoyed a good run and the European yield curve flattened, although interest rates were hiked on 3rd August as widely expected. In the UK, the Bank of England surprised the market by hiking rates by 25bps to 4.75%, although long-dated gilts still rallied. Japanese yields declined sharply as local investors were attracted by the slightly better value on offer as further Japanese rate hikes appeared to be put on hold.

Emerging markets also benefited from the global rally in bonds, with both bond and currencies enjoying support. The US dollar retained its value versus the major currencies during the month. However, the Japanese yen was weak versus the dollar as investors feared that prospective Japanese interest rate hikes were on hold indefinitely.

In terms of portfolio positioning, the main activity was to take advantage of the rally to reduce duration, which we did by selling part of the 2031 US Treasury holding. We also sold all of the 2009 Treasury. At the end of the month we sold all of the Singapore bond exposure following a rally in this market. Singapore has been a useful market for the portfolio this year, but we saw better prospects elsewhere, notably in Australian bonds, which were demonstrating good relative value. Australian bonds had sold-off in the middle of August, bucking the global trend, on interest rate fears. While some concern was warranted, the market had overreacted in our opinion and we took advantage of attractive levels to build a modest position.

In currencies, the portfolio maintained only a small basket of currencies outside of the US dollar. Despite the sale of Singapore bonds, we still like the currency, and this position stayed in place. Small allocation to the Mexican peso and Hungarian forint remain, while the just over 1% in the Japanese yen makes up the last of our currency trades. These positions were broadly neutral in August, with the losses from the Japanese yen compensated by the gains in emerging currencies.

ORGANIZATIONAL/PERSONNEL CHANGES

MANAGER STYLE SUMMARY

Barings is the only manager with a global fixed income mandate. They will make interest rate bets, not only within the U.S., but also between countries. As a result, Barings will sometimes hold foreign, non-dollar denominated securities, and will also take currency positions as part of their strategy. Added value is also sought through investments in high-yield debt and mortgage-backed securities. Due to the periodic investments in foreign securities, currency positions, high-yield debt instruments, and the concentrated nature of the portfolio, we can expect Barings to go through long (1-2 year) periods of underperformance and then make up the underperformance within a matter of months.

BARING ASSET MANAGEMENT, INC.
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST 2006

Portfolio Guideline:	Baring FX	Min	Max	Compliance
A3. Rule 144A securities	0%		3%	ok
B2a. Regional/Sector Allocations:	99%			
NORTH AMERICA	90%	20%	100%	ok
Governments (incl Agy & Supranatl)	28%	0%	100%	ok
Mortgages (incl MBS & 1st Mtg Deb)	35%	0%	60%	ok
Corporates	3%	0%	50%	ok
US\$ Denominated Foreign Sovereigns	23%	0%	20%	check
Canada	0%	0%	30%	ok
Cash	1%			
JAPAN	0%	0%	40%	ok
MEMBERS OF EMU AND UK	0%	0%	60%	ok
OTHER (ABS, CMBS, munis & other non	9%	0%	15%	ok
Quality Allocations:				
SUB-INVESTMENT GRADE	0%	0%	35%	ok
US \$ Denominated Corporates	0%	0%	100%	ok
US \$ Denominated Foreign Sovereigns	0%	0%	100%	ok
Non-US \$ Denominated Corporates	0%	0%	100%	ok
Non-US \$ Denominated Sovereigns	0%	0%	100%	ok
B2b. Effective Duration +/- 40% of Benchmark		2.80	6.54	
	6.26	4.67	◀ Leh Aggr	ok
B3a. Corporate securities of one issuer <=5%				ok
B3b. Number of positions	40%	30		ok
B3ci. Regional allocations above also apply to forwards				ok
B3cii. Max forward w/single counterpart <=25%				ok
E2. Annual Turnover	49%		250%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

E2. Annual Turnover: Annual turnover INCLUDING Mortgage B'kd - 158.65%

B2a. Sector Alloc: This figure includes securities without formal sovereign guarantee, but with maintenance obligations.

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

BERNSTEIN EMERGING MARKETS VALUE EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

FOR THE MONTH OF: AUGUST 2006

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Bernstein EMV	2.05%	1.90%	25.81%		
MSCI EMF	2.55%	3.76%	30.58%		

COUNTRY ALLOCATION COMPARISON

<u>Over-weight</u>	<u>Bernstein</u>	<u>EMF</u>	<u>Under-weight</u>	<u>Bernstein</u>	<u>EMF</u>
Brazil	15.74%	10.68%	Russia	2.14%	9.08%
Thailand	5.40%	1.62%	Malaysia	0.16%	2.73%
Korea	20.22%	17.68%	Poland	0.00%	1.74%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Market Overview Emerging markets, as measured by the MSCI Emerging Markets Index, advanced 2.6% and performed in line with developed markets, which were also up 2.6%, as measured by the MSCI World Index. Stocks gained after the US Federal Open Market Committee (FOMC) left its target on interest rates unchanged. At the country level, Morocco, India and Egypt led their country peers, while Poland and Hungary lagged. Cyclical sectors, such as technology, transportation and capital equipment rebounded during the month. On the other hand, industrial commodities shares pulled back, while lower energy prices dragged down the energy sector.

Impacts on Performance During the month, the portfolio underperformed the MSCI Emerging Markets Index, net of fees, as weakness in the portfolio's country and sector selection, particularly its exposure to Brazilian energy and commodity stocks, offset strength in its Indian financial holdings. Within Brazil, steel companies Usiminas and Gerdau moved lower due to investor concerns over increased steel capacity and price cuts in China, along with higher inventory levels in the US and Europe. Another detractor was integrated energy firm Petrobras. The stock fell as the price of crude oil settled below US\$70.00 following a benign US Gulf Coast hurricane season and easing tensions in the Middle East. Other energy stocks, such as MOL Hungarian Oil, also underperformed during the month. The portfolio's underweight in the telecommunications sector also hurt. Specifically, our avoidance of Mexico's largest mobile telecom company, America Movil, detracted as the stock outperformed along with the Mexican market in general. Towards the end of August, the federal election court rejected claims of voting irregularities, which allowed incumbent party candidate Felipe Calderon to declare victory in the presidential election that was held in early July. Mexican stocks rallied on the election resolution. Adding to performance during August were the portfolio's Indian banking stocks, which all rebounded from a weak July performance. Loan growth remains robust in spite of the three recent interest-rate hikes. Rising wages have allowed consumers to afford higher borrowing costs to finance major purchases, while many corporations have been able to incur higher interest rate borrowings, as they are operating at high levels of profitability. The portfolio benefited from its increase in technology holdings over the past quarter. Among these names, Taiwanese technology holding Siliconware Precision rebounded from declines in July. Our research indicates that these firms are now focusing on their return on invested capital and have reigned in capital spending, given recent softness in demand for technology products.

Outlook With the recent volatility, the valuation discount of emerging markets stands at 20%, based on price-to-next 12-month earnings estimates. Emerging-market companies continue to be more profitable than their developed market peers. Additionally, we find that macro-economic risks in this region are lower than when the region traded at similar valuation discounts relative to developed markets. Finally, we remain confident in the fundamentals of the stocks in our portfolio.

MANAGER STYLE SUMMARY

Bernstein a value-oriented, "bottom-up" manager, focusing on individual security selection, where country and sector allocations are an outgrowth of stock selection. As with their global product, they seek companies which are undervalued relative to their long-term earnings prospects due overreaction by the market. Although country selection is a by-product of the stock selection process, Bernstein seeks to reduce risk and enhance returns by limiting country concentration and maintaining stable country weights, as compared to the historical volatility of country weightings in the MSCI Em Index.

BERNSTEIN EMERGING MARKETS VALUE
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE				AUGUST		2006
Portfolio Guideline:	Index	Bernstein	Calc	Min	Max	Compliance
B3. Security position <= 8% of the account @ purchase						ok
B4. Number of issues		107		70	100	check
B5. Normal Regional Exposures (* benchmark +/- min/max):						
Latin America *	20%	20%		15%	15%	ok
Asia *	53%	55%		15%	15%	ok
EMEA *	27%	23%		15%	15%	ok
Other		2%		0%	20%	ok
Total		100%				
B6. Normal Portfolio Characteristics (MSCI EM)						
Capitalization	28,644	17,715	62%	25%	100%	ok
Price/Book Value	2.3	1.7	75%	30%	100%	ok
Price/Earnings (Next 12 mo)	12.3	9.0	73%	30%	100%	ok
Price/Cash Flow	9.0	6.0	67%	30%	100%	ok
Dividend Yield	2.5	3.4	140%	75%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterparty <= 30% of total mv of account						ok
F3. Annual turnover		40%		30%	40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues: The number of holdings in the account appears to be high due to many securities issuing stock dividends. These appears as more than one holdgind

ORGANIZATIONAL/PERSONNEL CHANGES

Three fundamental analysts and one quantitative analyst were gained. One fundamental analysts was lost. AllianceBernstein personnel changes are tracked on a quarterly basis. Personnel gains and losses include internal transfers. Data as of 2Q06

ACCOUNT TURNOVER

Gained: Number of Accounts: 0 Total Market Value (\$m): \$ -
Lost: Number of Accounts: 0 Total Market Value (\$m): \$ -
Reason(s): Non-public information such as Accounts Gained and Lost cannot be disclosed until it is released to the public. This information will be available to PERSI on a quarterly basis.
The numbers above represent Q2 2006.

BERNSTEIN GLOBAL STRATEGIC VALUE
GLOBAL EQUITY: MSCI ACWI BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

** Annualized returns*

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Bernstein GSV	2.31%	3.13%	23.79%		
MSCI ACWI	2.59%	3.25%	16.68%		
Russell 3000	2.45%	2.53%	8.75%		

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Market Overview - Global equity markets rose 2.6% in August, as measured by the MSCI World Index. Emerging markets performed in line with developed markets over the month. Investors reacted enthusiastically after the US Federal Reserve left interest rates unchanged for the first time in two years. Benign economic reports provided additional lift to the markets, pointing to moderating inflationary pressure, while consumer and business spending levels suggested economic growth is not slowing enough to risk a recession. The European Central Bank, continued on its path to cool the economy for the countries sharing the euro currency by raising the key refinancing rate to 3%. At the sector level, cyclical stocks rebounded with information technology leading all sectors. Utilities, consumer staples and consumer discretionary stocks also enjoyed strong gains. Energy-related stocks pulled back on softening oil prices and a mild hurricane season. Telecom and industrial commodity shares also lagged. Among currencies, the US dollar strengthened relative to the Japanese yen, but weakened versus the British pound, euro and Canadian dollar.

Impacts on Performance - In August, before fees, the portfolio outperformed its benchmark, the MSCI World Index. Stock selection within the telecommunications sector detracted from relative returns, as did our underweight of the energy sector. Portfolio investments within the finance and industrial commodities sectors, were strong performers over the month, contributing to relative returns. Key contributors were Hewlett-Packard and Mitsui O.S.K. Hewlett-Packard reported better-than-expected second-quarter results. Hewlett-Packard's CEO Mark Hurd announced the company was able to increase market share without hurting margins. Chief detractors included Sprint and ConocoPhillips. Sprint declined on less-than-expected second-quarter earnings and ongoing concerns that it would continue to experience operational difficulties in integrating Nextel. While the resulting complications from the merger are disappointing, we believe investors' concerns are overdone and continue to find Sprint attractively valued. Meanwhile, ConocoPhillips weakened on declining oil prices. The stock was also hurt by production losses and expenses associated with ownership interest to a corroded pipeline in the Prudhoe Bay Alaskan oil field.

Outlook - We continue to believe that global equity markets are reasonably valued and that these valuations are supported by the prospect of continued—if more moderate—economic and profit growth. The overall value opportunity is lower than average, but our fundamental research continues to uncover interesting value investments on a stock-by-stock basis, resulting in portfolios that are attractively priced and have a profitability in line with that of the market.

ORGANIZATIONAL/PERSONNEL CHANGES

Three fundamental analysts and one quantitative analyst were gained. One fundamental analysts was lost. AllianceBernstein personnel changes are tracked on a quarterly basis. Personnel gains and losses include internal transfers. Data as of 2Q06

ACCOUNT TURNOVER

Gained:	Number of Accounts:	5	Total Market Value (\$m):	\$	1,189.0
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	Bernstein is a publically held company and cannot disclose non-public information such as Accounts Gained and Lost until it is released to the public. 2Q06 data above.			

MANAGER STYLE SUMMARY

Bernstein is a research-driven, value-based, "bottom-up" manager, whose process is driven by individual security selection. Country allocations are a by-product of the stock selection process, which drives the portfolio country over and under weights. They invest in companies with long-term earnings power, which are undervalued due to an overreaction by the market. This value bias will result in a portfolio which will tend to have lower P/E and P/B ratios and higher dividend yields, relative to the market. The Global Strategic Value product is a concentrated global equity portfolio, and as such, may experience more volatility relative to the market.

BERNSTEIN GLOBAL STRATEGIC VALUE
GLOBAL EQUITY: MSCI ACWI BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	Index	Bernstein	Calc	Min	Max	Compliance
B3. Security position <= 10% of the account @ purchase						ok
B4. Number of issues		81		25	75	check
B5. Normal Regional Exposures (* benchmark +/- min/max):						
United States *	53%	34%		25%	25%	ok
Europe ex U.K. *	21%	25%		15%	15%	ok
UK *	11%	11%		10%	10%	ok
Japan *	11%	14%		10%	10%	ok
Emerging Markets		13%		0%	20%	ok
Other		3%		0%	20%	ok
Total		100%				
B6. Normal Global Portfolio Characteristics (MSCI ACWI)						
Capitalization	68,368	70,883	104%	50%	100%	check
Price/Book Value	2.5	1.9	75%	50%	100%	ok
Price/Earnings (Next 12 mo)	14.7	11.5	78%	50%	100%	ok
Price/Cash Flow	10.4	6.4	62%	50%	100%	ok
Dividend Yield	2.2	2.4	111%	75%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterparty <= 30% of total mv of account						ok
Forwards executed with Custodian <= 100% of the total mv of account, given credit check						ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						ok
F3. Annual turnover		23%		30%	40%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

F3. Annual Turnover:	There was an inflow of \$50 million in July 2005 which enabled positions to be added to the portfolio without causing turnover.
B6. Capitalization:	The securities we have found attractive have coincidentally been larger cap names, and the increase is not a reflection of any kind of capitalization bet.
B4. Number of Issues:	There are some ADR market purchases that have been repurchased in their market. Both are counted.

BRANDES INVESTMENT PARTNERS, L.P.
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Brandes	3.38%	7.27%	19.41%	20.77%	12.29%
Russell 3000	2.45%	2.53%	8.76%	11.76%	5.63%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

In August, portfolio return was positive and ahead of that of the world markets. Holdings in the US and in Europe were among the largest positive contributors to returns. Holdings in most other countries also had positive returns.

On an industry basis, holdings in food & staples retailing, semiconductors & semiconductors equipment, communications equipment and automobiles had the largest positive impact. Holdings in most other industries also had positive returns. Holdings in the largest industry in the portfolio (diversified telecommunications services) had positive performance but lagged the markets and the rest of the portfolio. The large underweight in oil, gas and consumable fuels had a positive impact on relative performance. Best performers for the month included Ford, Intel, Safeway and Tenet Healthcare. GM, Bristol-Myers Squibb and Deutsche Telekom were among the worst performers for the month.

In August, Brandes added one new name (Sara Lee), and sold one completely (El Paso). Also, it added shares to some existing holdings and pared back shares of other holdings.

The normal stock-specific trades, as well as changes in the prices of existing shares shifted the portfolio's country and industry exposures slightly. As of 8/31/06, the largest weightings remain in the US (very small underweight), diversified telecom services (large overweight) and pharmaceuticals (large overweight). Overall, Brandes believes the portfolio remains well positioned to deliver favorable long-term results.

While Brandes monitors short-term events in international equity markets, their investment philosophy focuses on company-by-company analysis with a long-term perspective. Although this summary includes shorter-term and top-down information, Brandes continues to focus on applying our bottom-up, value philosophy over the long term with the goal of delivering better-than-benchmark results.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	Total Market Value (\$m):	\$	-
	Reason(s):			

MANAGER STYLE SUMMARY

Brandes is a classic "bottom-up" manager, focusing primarily on individual security selection (while country allocation is a secondary consideration), with a "value" bias, purchasing stocks primarily on the perceived undervaluation of their existing assets or current earnings. Consequently, the securities in the portfolio will tend to have a higher dividend yield and lower P/E and P/Book ratios compared to the market. Brandes' classic Graham and Dodd value investment style combined with the relatively low number of stocks in the portfolio results in large gains or losses on the portfolio. What has been encouraging is that Brandes has turned in good returns when the markets generally have rewarded growth, rather than value, styles.

BRANDES INVESTMENT PARTNERS, L.P.
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	Index	Brandes	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		80		40	70	check
B5. Normal Country Exposures:						
United States & Canada		49%		30%	100%	ok
Americas ex U.S.		3%		0%	40%	ok
United Kingdom		8%		0%	25%	ok
Europe ex U.K.		29%		0%	50%	ok
Japan		10%		0%	45%	ok
Pacific ex Japan		2%		0%	40%	ok
Non-Index Countries		0%		0%	20%	ok
Cash & Hedges		1%				
Total		100%				
B6. Normal International Portfolio Characteristics (FTSE All World ex U.S. "Large")						
Capitalization	\$50,412	\$51,794	103%	30%	125%	ok
Price/Book Value	2.3	2.6	110%	50%	100%	check
Price/Earnings	15.5	20.5	132%	50%	100%	check
Price/Cash Flow	9.4	8.0	85%	50%	100%	ok
Dividend Yield	2.5	2.9	115%	90%	150%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization	\$89,694	\$63,577	71%	30%	125%	ok
Price/Book Value	2.8	2.9	104%	50%	100%	check
Price/Earnings	17.3	19.1	110%	50%	100%	check
Price/Cash Flow	11.7	9.8	84%	50%	100%	ok
Dividend Yield	1.9	2.4	131%	90%	150%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share or 50% of principal (non-U.S.)						ok
F2. Annual turnover		28%			100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues:	Several equity securities of the same company (e.g., ADR/local). Also, due to the breakup of Telebras into several separate companies, trading at attractive valuation.
B6. Price/Book Value:	We found value in a number of companies with relatively low book values like communication/technology stocks.
B6. Price/Earnings:	We found value in a number of companies with low reported earnings like communication/technology stocks and Japanese stocks.
B7. Price/Book Value:	We found value in a number of companies with relatively low book values like communication/technology stocks.
B7. Price/Earnings:	We found value in a number of companies with low reported earnings like information technology stocks.

BRIDGEWATER ASSOCIATES - GLOBAL INFLATION-LINKED BONDS
GLOBAL FIXED: LEHMAN TIPS BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Bridgewater	0.98%	2.30%	2.19%	n/a	n/a
Lehman TIPS	1.73%	3.68%	1.53%	5.95%	7.33%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The Inflation-Linked Bond Markets - Real yields continued to fall in August, with yields falling by 8-16bp in all major developed markets. U.S. bonds rallied in response to a modest slowdown in the U.S. economy and an extrapolation of this slowdown into the future. The extrapolation is based on the view that a weak housing market will spill over to the rest of the economy, producing an overall weak environment, and was led by speculators in the futures markets and active players in the bond market. Real money players, like corporations, are increasing, not reducing, their demand for credit. Bonds have now fully discounted near-term Fed easing while the Fed is actually debating whether to continue tightening. The weakening housing market, while important, is not the only influence on the overall economy. Other factors such as strong foreign growth and demand for US goods, tightening labor markets, improving wage growth, and a healthy corporate sector (which is providing a lot of cash to households due to buybacks) all work to offset the influence of weaker housing and high energy prices. Yields also fell in other countries, mostly as a knee-jerk reaction to falling yields in the US. In Euroland, where growth is improving and is now similar to the US, yields should be rising and not falling; as a result, we have gotten more short in Euroland and expect yields to rise elsewhere as well.

The TIPS index posted a 1.73% return for the month. Since we are underweight TIPS we generated -0.06% of alpha from this market in August.

Break-even Inflation Rates - Cyclical inflationary pressures are becoming increasingly evident and are being ignored in light of a modest decline in US growth. Capacity is getting tight, and companies can no longer tap under-utilized workers to meet new demand. Consequently, productivity growth is slowing and the balance of power is shifting from companies to workers. Wage growth is accelerating, and margins are starting to get squeezed. These pressures are translating into strong increases in unit labor costs and will continue to flow through to increased core price inflation. These pressures are being mitigated by cheap labor from emerging markets, but even in place like China, there are signs of tightening labor conditions.

Break-even inflation fell modestly in August. In total, our trading of break-even inflation rates produced -0.05% of alpha in the month.

Portfolio Positioning - We remain underweight inflation-linked bonds globally and are currently short every developed market. Our break-even positions are smaller, but we expect nominal bonds to sell-off a bit more than inflation-linked bonds (inflation expectations to rise).

For the month of August the benchmark posted a return of 1.73%; the alpha generated for the portfolio was -0.75%, and the gross of fees return for the portfolio was 0.98%.

MANAGER STYLE SUMMARY

Bridgewater manages a Global Inflation-Linked Bond portfolio. This is an expansion of our existing SSgA TIPS (Treasury Inflation Protected Securities) allocation in that (1) this portfolio will be actively managed and will not employ simply a buy and hold strategy and (2) Bridgewater will not be limited to only US TIPS. Given this global mandate, Bridgewater has the latitude to hold foreign, non-dollar denominated securities, take currency positions, and enter into futures, options and swaps contracts.

BRIDGEWATER ASSOCIATES - GLOBAL INFLATION-LINKED BONDS
GLOBAL FIXED: LEHMAN TIPS BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST 2006

Portfolio Guideline:	Lehman TIPS	Bridgewater	Min	Max	Compliance
B2a. Country Exposure					
i. Net exposure to individual countries between ± 7.5 years of duration around the benchmark					ok
ii. Long nominal positions are not permitted					ok
iii. Any country issuing IL bonds w/a sovereign local currency credit rating (S&P) of A- or better					ok
B2b. Currency Exposure not to exceed the percentage of foreign bonds held in each individual currency					ok
B2c. Counterparties					ok
Currency forward contracts: counterparties must have a short-term credit rating of at least A1 or P1					ok
Other OTC Derivatives: counterparties must have a long-term credit rating from S&P of at least A-					ok
B2d. Effective Duration	8.23	2.53	0.73	15.73	ok
B3a. Fixed income positions		27	12		ok
ii. The maximum aggregate forward exposure (delivered or received in US \$) with any single counterpart shall not exceed 25% of the U.S. dollar value of the account.					ok
F2. Annual Turnover		386%	200%	400%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

There were no organizational or personnel changes.

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

CAPITAL GUARDIAN TRUST COMPANY
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Capital Guardian	3.32%	2.59%	15.86%	16.00%	n/a
MSCI World	2.64%	3.30%	16.26%	16.98%	n/a

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

World Markets - August: Global equity markets rose in August, led by a rebound in technology shares. Energy stocks were an exception to the trend, declining with the price of oil. Bond returns were strong as intermediate- and long-term yields declined across all major markets. The Japanese yen weakened, hitting an all-time low against the euro.

August Portfolio Attribution: Overwhelming, stock selection in U.S. Information Technology helped our outperformance with Sandisk Corp (1.1%) up 26.3%, Cisco Systems (1.2%) gaining 23.2%, Altera Corp (0.6%) up 16.9%, Xilinx Inc (0.7%) up 13.2%, Applied Materials (1.1%) returning 7.6%, and Microsoft Corp (1.0%) up 7.3%. Stock selection in Telecomm hurt a bit.

Rolling 3-month Attribution: Stock selection in U.S. names hurt (e.g., Sprint Nextel, Xilinx Inc, Washington Mutual, Baker Hughes) as did Telecomm (e.g., Softbank Corp, Sprint Nextel, Vodafone). Stock selection in Health Care helped (e.g., Astrazeneca, Forest Labs, Allegan Inc).

Outlook and Strategy: Stocks should be supported by global economic growth, with the resurgence of economies in Europe and Japan adding to continued healthy expansions in the U.S. and many emerging markets. Equity valuations appear attractive, especially when compared to bonds, even after the recent rise in yields.

Despite the second quarter's stock market decline, our secular thesis on Japan remains intact. Economic growth is widening to embrace the consumer and private investment markets, and improved economic fundamentals, such as the rising employment rate, are good signs. These elements help to create a much stronger backdrop to the market, unlike previous declines between 1993 and 2003, and underpin our belief in a sustainable recovery.

ORGANIZATIONAL/PERSONNEL CHANGES

None.

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	1	Total Market Value (\$m):	\$	6,000.0
	Reason(s):	Client consolidating their DC accounts.			

MANAGER STYLE SUMMARY

Capital Guardian is a "bottom-up" manager, focusing on individual security selection in light of macroeconomic factors (country, sectors, currency). Capital Guardian's investment process is unique in that it is essentially a portfolio of 10 independently managed portfolios consisting of one U.S., one North America, three non-U.S., and five global managers (one of which is the research portfolio). Portfolio manager allocations are based on portfolio management experience.

CAPITAL GUARDIAN TRUST COMPANY
GLOBAL EQUITY: RUSSELL 3000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	Index	CGTC	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues	256			200	250	check
B5. Normal Country Exposures:						
United States	41%				75%	ok
Emerging Markets	3%				10%	ok
The following are limited to the larger of 25% of the total portfolio or 2 times the MSCI World benchmark weight:						
Japan	11%	13%	1.2		25%	ok
United Kingdom	11%	10%	0.9		25%	ok
Germany	3%	3%	0.9		25%	ok
France	5%	6%	1.3		25%	ok
Switzerland	3%	4%	1.3		25%	ok
The following are limited to the larger of 10% of the total portfolio or 3 times the MSCI World benchmark weight:						
Other MSCI World (incl Can)	17%	19%	1.1		10%	ok
B6. Normal International Portfolio Characteristics (MSCI EAFE)						
Capitalization (wtd avg)	56	53	95%	60%	100%	ok
Price/Earnings (trail)	15.0	17.0	113%	80%	135%	ok
Dividend Yield	2.7	2.1	80%	80%	105%	ok
Price/Book Value	2.3	2.4	103%	90%	120%	ok
B7. Normal U.S. Portfolio Characteristics (Russell 3000)						
Capitalization (wtd avg)	75	71	94%	40%	75%	check
Price/Earnings (trail)	16.5	16.3	99%	90%	125%	ok
Dividend Yield	1.8	1.5	84%	70%	110%	ok
Price/Book Value	2.7	2.7	103%	70%	105%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Brokerage commissions not to exceed \$0.05/share for U.S. equities						ok
F3. Annual turnover	32%				120%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines						<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues: The portfolio holds more than one issue of some securities. Total number of ISSUERS however is 246.

B7. Capitalization (wtd avg): Through our bottom-up stock selection process, we are holding names that on average have a relatively high market capitalization.

Other: Securities that are not readily marketable: None.

CLEARWATER ADVISORS, LLP
MORTGAGE TBAs: MERRILL LYNCH MORTGAGE MASTER BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater (CW) TBA	1.51%	3.1636%	2.77%	4.22%	-
CW TBA + CW Cash	1.50%	3.20%	2.85%	4.28%	-
Merrill Lynch Mortgage Mast	1.50%	3.24%	2.95%	4.34%	-

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Interest rates fell across most of the U.S. Treasury curve during August as the market adjusted to the Fed's pause in the tightening cycle. The 10-year fell 25 basis points ending at 4.73% while the 5 year yield was lower by 20.7 basis points finishing the month at 4.69%. The 5-10 year Treasury Index returned 1.76%. The TBA portfolio performed inline with the Merrill Lynch Mortgage Master Index.

PORTFOLIO GUIDELINE COMPLIANCE

Portfolio Guideline:	Clearwater	Min	Max	Compliance
A1. The account shall consist solely of dollar denominated TBA mortgage securities				ok
B2a. Effective duration +/- 10% of index	3.85	3.79	◀ ML Mtge	ok
B2b. Number of securities	6	5	30	ok
Cash position covers TBA positions (in \$ millions)	Cash	\$ 156.1		
	TBA positions	\$ 154.3		ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

MANAGER STYLE SUMMARY

The mortgage TBA portfolio consists of "To Be Announced" mortgage-backed securities. These are pools of mortgages which are yet to be issued and can be purchased without immediate cash payment. PERSI requires a cash balance large enough to cover all TBA positions, thus, this portfolio will tend to maintain a high cash position. The "TBA + CW Cash" performance includes the excess returns over Mellon STIF generated by the Clearwater Cash portfolio.

CLEARWATER ADVISORS, LLP**CASH: 90-DAY LIBOR**

FOR THE MONTH OF:

AUGUST

2006

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Clearwater - PERSI STIF	0.44%	1.34%	4.68%	2.80%	-
ML 3 Month LIBOR	0.48%	1.34%	4.55%	2.69%	-

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

On August 8th the Fed decided to leave the short term target rate at 5.25%; the first breather that the Fed has taken since it began the tightening cycle more than two years ago. Interest rates fell across the entire U.S. Treasury curve with 3-Month Libor dropping nearly 7 basis points. Markets are pricing in a slim probability the Fed will raise rates by the end of the year. During the last few months we have increased the duration of the portfolio by adding corporate bonds while maintaining sufficient shorter term investments to meet liquidity requirements.

PORTFOLIO GUIDELINE COMPLIANCE

Portfolio Guideline:	Clearwater	Min	Max	Compliance
B2a. Sector Allocations:	100%			
Treasuries	0%	0%	100%	ok
Agencies	0%	0%	100%	ok
Corporates	34%	0%	100%	ok
Mortgage Backed Securities (MBSs)	0%	0%	60%	ok
Asset Backed Securities (ABSs)	0%	0%	40%	ok
Cash	14%	0%	100%	ok
Commercial Paper	52%	0%	100%	ok
B2b. Quality: Securities must be rated investment grade by S&P or Moody's at time of purchase				ok
B2c. Effective Duration <=18 months	2		18	ok
B2d. Number of securities	25	10	50	ok
B3a. Allocation of corporate securities to one issuer	5%		5%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

MANAGER STYLE SUMMARY

The enhanced cash portfolio was created with the expectation that the portfolio will generate returns similar to, or in slight excess of, the Mellon Short-Term Investment Fund (STIF), while providing PERSI with an increased level of transparency into the cash portfolio.

D.B. FITZPATRICK & Co., INC. - IDAHO COMMERCIAL MORTGAGE PORTFOLIO
DOMESTIC FIXED: LEHMAN MORTGAGE BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

** Annualized returns*

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Idaho Commercial Mortgages	1.76%	3.70%	1.94%	3.85%	5.31%
Lehman Mortgage	1.45%	3.10%	2.92%	4.29%	4.69%

PORTFOLIO SUMMARY

Market Value \$ 288,571,418

Delinquencies/REOs

Originations/Payoffs			\$ Amt	% of Portfolio
		30 days	\$ -	0.00%
Month:	\$ 1,926,000	60 days	\$ -	0.00%
Year to Date:	\$ 42,831,179	90 days	\$ -	0.00%
		120+ days	\$ -	0.00%
Payoffs:	\$ 516,503	REOs	\$ -	0.00%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

For the month of August, the PERSI Commercial Mortgage Portfolio outperformed the Lehman Mortgage and Lehman Aggregate indices by 31 basis points and 23 basis points respectively. The outperformance was mainly due to the 20-25 basis point decline in yields on intermediate US Treasury securities during the month.

The mild inversion of the yield curve is a result of the cumulative rate increases by the Federal Reserve. The lagged effect of these increases will slow the US economy during the next year. We also expect it to slow activity and demand in the real estate market, with a greater impact locally on residential versus commercial real estate.

MANAGER STYLE SUMMARY

The Idaho Commercial Mortgage portfolio is managed by DBF and consists of directly owned Idaho commercial mortgages. DBF oversees the origination process, the monitoring of the portfolio, and services 50% of the portfolio.

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D.B. FITZPATRICK & Co., INC. - MBS PORTFOLIO
DOMESTIC FIXED: LEHMAN MORTGAGE BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

** Annualized returns*

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
DBF MBS	1.28%	2.99%	2.87%	4.15%	4.68%
Lehman Mortgage	1.45%	3.10%	2.92%	4.29%	4.69%

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>DBF</u>	<u>Leh Mtge</u>
Market Value (\$ m)	\$151.39	N/A
Weighted Average <i>Effective</i> Duration (in years)	3.8	4.0
Weighted Average Yield (in %)	5.8%	5.7%
Weighted Average Coupon (in %)	5.7%	5.4%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The PERSI MBS portfolio trailed the Lehman Mortgage index by 17 basis points for the month of August. Approximately 5 basis points of this underperformance is attributed to the cash held in the account in anticipation of loan fundings that occurred at the end of the month and the beginning of September. The remaining 12 basis points is attributable to the difference in coupon distributions between the PERSI MBS portfolio and the benchmark index. As interest rates fell during the month of August, low coupon (specifically 5.5% and below) MBS outperformed significantly. The benchmark index has a higher concentration of low coupon MBS relative to the PERSI portfolio, which led to slight underperformance.

At the end of August, we invested excess cash into 30-year 5% paper to bring our coupon distribution closer to that of the benchmark index. Over the last year the PERSI MBS portfolio has tracked the benchmark index very closely, and we expect it to continue to do so.

MANAGER STYLE SUMMARY

DBF's MBS (Mortgage Backed Security) portfolio is a "core" holding which attempts to generally track the returns of the Lehman Mortgage Index. Excess returns are added through security selection and interest rate bets, although such bets are expected to be limited and relatively low-risk. DBF also manages the Idaho Mortgage Program in conjunction with this portfolio -- the MBS portfolio serves as a "cash reserve" of sorts, to fund mortgages managed through the Idaho Mortgage Program. Consequently, we expect this portfolio to hold traditional MBS instruments and to maintain a reasonably healthy status, with no significant bets which could go significantly awry.

D.B. FITZPATRICK & Co., INC. - MBS PORTFOLIO
DOMESTIC FIXED: LEHMAN MORTGAGE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST 2006

Portfolio Guideline:		DBF	Min	Max	Compliance
B2.	Minimum portfolio size	\$151	\$50		ok
B2a. Security Type:					
MORTGAGE RELATED		98%	80%	100%	ok
Generic MBSs		98%	75%	100%	ok
GNMAs		12.3%			
FNMAs		54.7%			
FHLMCs		30.5%			
CMOs		0.0%	0%	25%	ok
NON-MORTGAGE RELATED		0.0%	0%	20%	ok
Treasuries		0.0%	0%	20%	ok
Agencies		0.0%	0%	20%	ok
Cash		2.5%	0%	10%	ok
Attributes:	▼ Leh Mtge				
Duration	4.0	3.8	2.0	6.0	ok
Coupon	5.4%	5.7%	4.4%	6.4%	ok
Quality	AAA+	AAA+	AAA		ok
B3.	Individual Securities excluding Treasuries as a % of portfolio		0%	5%	ok
B4.	Number of securities	35	25	50	ok
E2.	Annual Turnover	4%	0%	25%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

DONALD SMITH & CO., INC.
DOMESTIC EQUITY: RUSSELL 3000 BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Donald Smith & Co.	4.84%	8.93%	24.17%	n/a	n/a
Russell 3000	2.45%	2.53%	8.75%	n/a	n/a

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>DSCO</u>	<u>RU 3000</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>DSCO</u>	<u>RU 3000</u>
Mkt Value (\$m)	218.64	N/A	Financial Serv	21.00%	23.20%
Wtd Cap (\$b)	4.61	76.56	Autos/Transpc	22.30%	2.40%
P/E	10.74	14.80	Utilities	13.50%	7.40%
Beta	1.15	0.99			
Yield (%)	1.10	1.77			
Earnings Growth			<u>Under-weight</u>	<u>DSCO</u>	<u>RU 3000</u>
			Healthcare	0.00%	12.70%
			Technology	15.70%	12.60%
			Consumer Sta]	0.00%	7.00%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The account outperformed substantially the Russell 3000 in the month of August. Spansion rose 23%, benefiting from the rebound in semiconductor stocks. Visteon rose 20% on takeover rumors, while Unum (+16.8%) and Air France (+11.4%) both reported better-than-expected earnings. General Motors (-9.5%) and Tech Data (-6.2%) were the only two decliners in the month.

Positions were increased on weakness in two technology companies -- Solectron and Spansion. There were no sales in the month.

The portfolio sells at only 114% of tangible book value and 31% of revenues. The substantial outperformance this year has been achieved without the benefit of the strong performing energy sector. We continue with large overweightings in autos, airlines, insurance, technology and utilities. Most of these sectors would be beneficiaries of declining oil prices.

MANAGER STYLE SUMMARY

Donald Smith & Co manages an all-cap portfolio, employing a bottom-up, deep value investment strategy. They invest in stocks with low P/B ratios and which are undervalued given their long-term earnings potential. Consequently, the portfolio will consist of securities with higher dividend yield and lower P/B and P/E ratios relative to the market. This is a concentrated portfolio, consisting of approximately 15-35 issues, and as a result, may experience more volatility than the market.

DONALD SMITH & Co., INC.
DOMESTIC EQUITY: RUSSELL 3000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	DSCO	RU 3000	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m) > \$100 m @ purchase						ok
B3. Security Positions <= 15% @ purchase						ok
B4. Number of issues	17			15	35	ok
B5. Portfolio Characteristics						
P/B	1.14	2.69	42%	30%	100%	ok
P/E (1 Year Forward)	10.74	14.80	73%	50%	100%	ok
Dividend Yield	1.10	1.77	62%	50%	150%	ok
Beta	1.15	0.99	116%	70%	130%	ok
F2. Commissions not to exceed \$0.05/share; explanation required for commissions >\$0.07/share						ok
F3. Annual Turnover	47%			20%	40%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

F3. Annual Turnover: In 1Q06, we had taken advantage of the strong market rally by selling off some of the stronger performers. With the downturn in 2Q06, new positions were initiated in a handful of names at attractive prices.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

FIDELITY INVESTMENTS
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Fidelity	1.50%	3.15%	2.67%	n/a	n/a
Lehman Aggregate	1.53%	3.12%	1.71%		

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

After 17 straight hikes the Federal Reserve decided not to raise interest rates at their August 8th meeting for the first time in more than two years. Economic growth has moderated but the Fed stated that some inflation risks still remain, leaving the door open for possible rate hikes in the future. The debate now centers on whether the economy will slow enough to fall into recession. Release of the FOMC meeting minutes at the end of the month led investors to believe the Fed will not raise rates at the next meeting, scheduled for Sept. 20th. Federal Funds Futures currently predict only an 18% chance of a rate increase.

The jobs report for August met both economists' forecasts and Wall Street's best hopes by showing an economy stellar enough to add jobs but not hot enough to fuel inflation. Employers added 128,000 jobs last month, up from a revised 121,000 from the prior month and slightly ahead of the forecasted 125,000. On the inflation front, the Consumer Price Index rose 0.4% after a 0.2% gain for last month while the more closely watched "Core" Consumer Price Index, which strips out volatile food and energy prices, showed signs of softening by climbing 0.2%, matching expectations while breaking a four month string of 0.3% increases. Retail sales, meanwhile, came back strong after a weak showing in the prior month. Overall retail sales jumped 1.4% compared to a revised 0.4% dip from last month and the predicted 0.8% rise. The ISM Manufacturing Index showed a surprise decline by falling to 54.5 in August, which was short of the expected reading of 55 and July's 54.7. Any reading above 50 indicates growth in the manufacturing sector. The ISM Index has held above this level for four years.

The Lehman Brothers Aggregate Index closed up 1.53% in August, while all spread sectors beat their same duration Treasury securities. The Credit sector had a strong month as the market interpreted the latest FOMC minutes as proof of a lasting pause in the Fed's interest rate policy. Within the ABS market, strong technicals dominated, particularly within HEL's, keeping spreads across the capital structure near historically tight levels, while MBS benefited from steady overseas buying and surprisingly strong demand from domestic banks.

The portfolio slightly underperformed the benchmark for the month. Detracting from returns was the portfolio's underweight positions to Agencies and MBS pass-throughs, both of which performed well versus their same duration Treasury securities. Adding to performance was the portfolio's allocation to High Yield CMBS, which outperformed the Lehman Aggregate Index.

ORGANIZATIONAL/PERSONNEL CHANGES

None

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

MANAGER STYLE SUMMARY

Fidelity manages a customized portfolio for PERSI, which falls outside of their traditional Core Plus product. The primary difference is the separate account structure of the 'plus' sectors, which include High Yield, Emerging Market Debt and High Yield Commercial Mortgage Backed Securities. This portfolio is expected to be more volatile than the traditional underlying product due to the tactical and concentrated nature of the 'plus' sectors.

FIDELITY INVESTMENTS
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE				AUGUST	2006
Portfolio Guideline:	Leh Aggr	Fidelity	Min	Max	Compliance
B2a. Sector Allocations					
North America					
Governments		32%	0%	100%	ok
MBS & ABS		39%	0%	60%	ok
Investment Grade Corporates		18%	0%	100%	ok
High Yield		0%	0%	40%	ok
High Yield CMBS		10%	0%	20%	ok
Non-US					
Emerging Market Debt		0%	0%	20%	ok
Investment Grade		0%	0%	40%	ok
B2a. Quality Allocations: Below Investment Grade					
U.S.		6%	0%	50%	ok
Non-\$ Denominated		0%	0%	20%	ok
B2b. Portfolio Characteristics					
Effective Duration	4.48	4.29	3.00	7.00	ok
Effective Convexity	-0.12	-0.10	-0.70	0.70	ok
Coupon	5.32	4.67	3.00	9.00	ok
Current Yield	5.36	4.61	3.00	9.00	ok
Yield to Maturity	5.40	5.28	3.00	9.00	ok
Number of holdings		565	150	400	
B2c. Credit Quality: Issues below Baa3 & BBB-/A2 and P2					
		6%	0%	50%	ok
B2d. Derivatives:					
Original futures margin & option premiums		0%	0%	5%	ok
Short options positions hedged w/cash, cash equiv, current holdings or other positions					ok
B2e. Commodities:					
		0%	0%	5%	ok
B3a. Allocation to securities of any corporate issuer					
		1%	0%	5%	ok
B3b. Foreign currency forward contracts					
i. Sector allocations above apply to currency exposure					ok
ii. Aggregate forward exposure w/any single counterpart		0%	0%	25%	ok
v. Max value of forward w/any single counterparty		0%	0%	30%	ok
E2. Annual Turnover (including mortgage rolls)					
		264%	150%	450%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

GENESIS ASSET MANAGERS LIMITED
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Genesis	3.79%	4.29%	30.29%	35.29%	27.88%
MSCI EM	2.60%	3.91%	30.99%	30.99%	24.38%

COUNTRY ALLOCATION COMPARISON

<u>Over-weight</u>	<u>Genesis</u>	<u>EM</u>	<u>Under-weight</u>	<u>Genesis</u>	<u>EM</u>
Indonesia	7.91%	1.61%	Taiwan	8.05%	12.77%
South Africa	11.52%	8.58%	China	5.56%	9.52%
Egypt	3.41%	0.88%	Brazil	7.58%	10.68%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The portfolio outperformed the benchmark by over 1% in August. Mobile Telesystems (Russia) gained 15% and was the most significant stock contributor, along with Orascom Construction (Egypt) and PT Telkom (Indonesia). Samsung Electronics (South Korea) and Gujarat Ambuja Cements (India) also did well. The most notable detractors were CVRD (Brazil) and Kookmin Bank (South Korea). In relative terms, there were no stand-out markets in the portfolio, but the cumulative effect of a number of markets added significant value. Most notably, gains were made through the absence of investments in Poland, the overweight position in Indonesia and good stock returns from the portfolio's Russian and Taiwanese holdings. Minimal losses were incurred from underperforming holdings in Brazil and the overweight position in the weak Hungarian market. The Financials sector added significant value as holdings from all three regions produced double-digit returns, headed by Bank Mandiri (Indonesia) and Credicorp (Peru). The portfolio's holdings in the Materials and Telecoms sectors made gains, although some of these were offset by a few underperforming positions in the Energy sector.

Over the last 3 months, the portfolio outperformed the index by 0.4%. The largest contributors to the portfolio's return over the period were as per August; Mobile Telesystems, PT Telkom, Gujarat Ambuja Cements and Orascom Construction. The largest detractors were Standard Bank (South Africa), KEPCO (South Korea) and CVRD. In relative terms, the portfolio made gains through the overweight position in Indonesia and underweight position in Taiwan. Value was lost through underperforming positions in Brazil and China. The portfolio's holdings in the Materials and Financials sectors made gains, although some of these were offset by a few underperforming positions in the Energy sector.

MANAGER STYLE SUMMARY

Genesis utilizes a "bottom-up" investment approach, whereby security selection is primarily based on individual stocks rather than country or regional prospects. An unusual aspect of their style is that they will limit the countries within their selection set to the World Bank list of emerging markets (based on per capita GDP), rather than the standard emerging markets indices. Thus, some of the countries within the emerging markets indices (i.e. Israel), are not a major focus of Genesis. Their unique style tends to keep Genesis out of fast-growing countries included in the emerging markets indices or country or regional successes rather than individual companies (i.e. Asia). Consequently, they can have periods of underperformance when these types of countries perform well.

GENESIS ASSET MANAGERS LIMITED
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST 2006

Portfolio Guideline:	Genesis	Compliance
B2. Country allocations <=15% of value at cost		ok
B3. EAFE securities <=10% of value at cost		ok
B4. Security position <=4% of the account at purchase		ok
B5. Number of Issues > 75	94	ok
C1. Currency or cross-currency position <= value of hedged securities		ok
No executed forward w/o corresponding securities position		ok
C2. Maximum forward with counterpart <= 30% of total mv of account		ok
F2. Annual Turnover <= 100%	31%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

None.

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):	N/A			

MONDRIAN INVESTMENT PARTNERS
INTERNATIONAL EQUITY: MSCI EAFE BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Mondrian	3.34%	6.38%	25.81%		n/a
MSCI EAFE	2.75%	3.76%	24.28%	23.42%	11.81%

COUNTRY ALLOCATION COMPARISON

<u>Over-weight</u>	<u>Mondrian</u>	<u>EAFE</u>	<u>Under-weight</u>	<u>Mondrian</u>	<u>EAFE</u>
Australia	9.88%	5.29%	Japan	14.07%	24.00%
Spain	8.22%	3.88%	Switzerland	0.00%	6.98%
France	13.58%	9.85%	Sweden	0.00%	2.33%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The portfolio outperformed the index in August. This was down to strong stock selection, particularly in Italy and Australia and in the consumer discretionary, consumer staples and financials sectors. The underweight exposure to the Japanese yen also benefited performance.

The main highlights of the strategy being adopted for the account are: -

- A strong value-stock orientation
- Underweight position in the overvalued Japanese market
- Overweight position in the undervalued Australasian markets.
- Defensive currency hedge out of sterling.

MANAGER STYLE SUMMARY

Mondrian (formerly Delaware International) employs a top-down/bottom-up approach, with focus on security selection. The firm identifies attractive investments based on their fundamental, long-term flow of income. Dividend yield and future growth prospects are critical to the decision making process. The portfolio is expected to be fairly concentrated (40-60 securities), with a value bias. As such, we can expect the portfolio characteristics to exhibit low P/B, low P/E and high dividend yield ratios relative to the market.

MONDRIAN INVESTMENT PARTNERS
INTERNATIONAL EQUITY: MSCI EAFE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	Index	Mondrian	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		52		40	60	ok
B5. Normal Regional Exposures:						ok
United Kingdom		24%		0%	45%	ok
Europe ex U.K.		42%		0%	75%	ok
Japan		14%		0%	45%	ok
Pacific ex Japan		15%		0%	40%	ok
Non-Index Countries		3%		0%	20%	ok
Cash		2%		0%	5%	ok
Total		100%				
B6. Normal Portfolio Characteristics						
Capitalization	56,241.20	63658.8	113%	25%	100%	check
Price/Book Value	2.3	2.5	109%	50%	125%	ok
Price/Earnings (Trailing)	15.5	14.1	91%	50%	100%	ok
Price/Cash Flow	9.4	7.7	82%	50%	100%	ok
Dividend Yield	2.5	3.3	132%	100%	200%	ok
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
F2. Annual turnover		13%			40%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B6. Capitalization: Above Capitalization limit

ORGANIZATIONAL/PERSONNEL CHANGES

None

ACCOUNT TURNOVER

Gained:	Number of Accounts:	None	Total Market Value (\$m):
Lost:	Number of Accounts:	None	Total Market Value (\$m):
	Reason(s):		

MOUNTAIN PACIFIC INVESTMENT ADVISERS
DOMESTIC EQUITY: RUSSELL 2500 BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Mountain Pacific	1.10%	-1.65%	8.01%	12.05%	7.88%
Russell 2500	2.53%	-0.64%	8.07%	15.08%	11.04%

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>Mtn Pac</u>	<u>RU 2500</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>Mtn Pac</u>	<u>RU 2500</u>
Mkt Value (\$m)	296.76	N/A	Capital Goods	30.52%	17.20%
Wtd Cap (\$b)	7.20	2.41	Healthcare	23.70%	10.40%
P/E	19.60	21.43	Financial	15.08%	24.00%
Beta	1.02	0.80			
Yield (%)	1.11	1.11			
Earnings Growth	17.00	19.00	<u>Under-weight</u>	<u>Mtn Pac</u>	<u>RU 2500</u>
			Consumer	5.86%	18.80%
			Energy	0.00%	7.00%
			Utilities	0.00%	6.00%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

In August 2006, our portfolio underperformed the benchmark RU 2500 by 143 basis points. During the month, our healthcare and consumer holdings slightly outperformed the index, while our financial, capital goods, and technology holdings fell short of the benchmark results. CR Bard, a manufacturer of medical instruments and supplies, and Quest Diagnostics, a provider of laboratory testing services, were up 6.9% and 6.1%, respectively during the month. However, our results suffered when Hospira, a medication delivery company, announced quarterly earnings that fell short and the stock slumped 16.1%. We continue to monitor the stock closely, as Hospira evolves as a public company after the spin-off from Abbott Laboratories just over two years ago. In August, we initiated a new position in Interline Brands, Inc., a company that primarily distributes maintenance and repair products to the multi-family housing market and other non-industrial facilities. The company will benefit as multi-family housing strengthens due to the lack of affordability in many single family housing markets. In the last three months, our portfolio fell short of the index results due primarily to a decline in our capital goods and technology holdings that were down 5.0% and 1.9%, respectively. In the same period, our healthcare and financial holdings rose 2.6% and 2.4%, respectively. The economy is beginning to slow as high energy prices and interest rates weigh on the consumer and business. Amid such an environment, companies that can generate consistent earnings growth should be amply rewarded.

MANAGER STYLE SUMMARY

Mountain Pacific manages a mid-to small-cap portfolio, employing a "GARP" (Growth At a Reasonable Price) investment strategy. Their portfolio holdings and characteristics will wander around the average stock in their benchmark, and they tend to favor companies which do not sell directly to the public and therefore, depend on sales to other businesses. Mountain Pacific runs a more concentrated portfolio than most, and as a result, their returns will diverge more dramatically from their benchmark, and sometimes for sustained periods.

MOUNTAIN PACIFIC INVESTMENT ADVISERS
DOMESTIC EQUITY: RUSSELL 2500 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	Mtn Pac	RU 2500	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m)				\$100.0	\$7,500.0	ok
B3. Wtd Avg Cap	7	2	291%	80%	120%	check
B4. Number of issues	50			35	55	ok
B5. Security Positions <= 4% @ purchase						ok
B6a. P/E (12-mo trail)	19.60	23.15	85%	80%	120%	ok
B6b. Beta	1.02	0.80	1.28	0.80	1.20	check
B6c. Yield	1.11	0.99	112%	80%	120%	ok
B6d. Expected Earnings Growth	17.00	19.00	89%	80%	120%	ok
E2. Commissions not to exceed \$0.06/share						ok
E3. Annual Turnover	17%				60%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B3. Wtd Avg Cap: Our Wtd Avg Cap exceeds that of the benchmark due to price appreciation of securities purchased. The median cap of the portfolio is \$4.60BB.

B6c. Yield: Our yield is slightly below the guideline range but not significantly so. Most of our companies pay little in dividends, instead plow earnings back in for growth.

ORGANIZATIONAL/PERSONNEL CHANGES

None.

ACCOUNT TURNOVER

Gained: Number of Accounts:
Lost: Number of Accounts:
Reason(s): N/A

Total Market Value (\$m):
Total Market Value (\$m): \$ -

PEREGRINE CAPITAL MANAGEMENT
DOMESTIC EQUITY: RUSSELL 1000 GROWTH BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Peregrine	4.12%	-1.30%	-1.76%	n/a	n/a
Russell 1000 Growth	3.12%	0.76%	3.68%	n/a	n/a

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>Peregrine</u>	<u>RU 1000G</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>Peregrine</u>	<u>RU 1000G</u>
Mkt Value (\$m)	163.80	N/A	Financial Svcs	25.26%	9.93%
Wtd Cap (\$b)	73.65	66.44	Technology	23.91%	21.18%
P/E	20.00	19.00	Other-Business	7.68%	4.20%
Beta	1.31	1.09			
Yield (%)	0.80	1.17			
Earnings Growth	25.00	18.00	<u>Under-weight</u>	<u>Peregrine</u>	<u>RU 1000G</u>
			Healthcare	15.40%	18.38%
			Consumer Stapl	4.56%	7.81%
			Producer Durab	4.15%	7.07%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Growth stocks actually experienced a good month of performance during August, quite a rare experience given recent history. The Russell 1000® Growth was up 3.1% for the month versus 2.4% for the S&P 500, while our performance was up 4.1%. Given that we are pure growth, our August performance was about as expected. The fundamental backdrop has not changed at all, except for a weakening in oil prices. We continue to believe that oil has had an unusually high level of speculative fever built into prices. We believe more of this speculative premium will be removed.

Our technology holdings did well during the month, including Cisco, EMC, Microsoft and Intel. Internet stocks were mixed with Ebay rebounding sharply and Google down for the month. Medtronic was under pressure during the month regarding concerns over near term sales levels. We continue to view Medtronic very favorably.

For the year to date, growth stocks still lag the S&P 500 and Russell 1000® Value (by 1100 basis points) and we lag the Russell 1000® Growth benchmark. Until last month the types of stocks that have done well so far in 2006 have been exactly opposite of the type we own. We continue to believe that our holdings will attract sustained investor (as opposed to speculative) interest as commodity plays run their course while our portfolio of companies continues to post superior earnings results.

MANAGER STYLE SUMMARY

Peregrine manages a large cap growth equity portfolio, utilizing a "bottom up" strategy, and focusing more on the future growth prospects of a firm rather than current earnings. We can expect the portfolio to include 30-50 securities, the P/E and P/B ratios to be slightly higher than that of the market, stock volatility to be slightly higher than the market, and dividend yield to be lower than average. Their style encourages overweight positions in traditional growth sectors such as technology, retail, business services, and financial services. Due to the concentrated nature of the portfolio, it will tend to be more volatile than more diversified portfolios.

PEREGRINE CAPITAL MANAGEMENT
DOMESTIC EQUITY: RUSSELL 1000 GROWTH BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	S&P 500	Peregrine	Calc	Min	Max	Compliance
B2. Security Market Cap > \$1 billion						ok
B3. Security position <=5% @ purchase, excluding contributions						ok
B4. Number of issues		30		30	50	ok
B5. P/B	2.77	3.86	1.4	1.2	2.0	ok
B5. P/E (Projected)	16.00	20.00	1.3	1.0	2.0	ok
B5. Dividend Yield	1.90	0.80	0.4	0.1	0.8	ok
B5. Beta	1.00	1.31	1.3	1.10	1.35	ok
B5. Earnings Growth (5-year)		25%		11%	22%	check
F2. Commissions not to exceed \$0.05/share						ok
F3. Annual Turnover		6%		15%	30%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

F3. Annual Turnover: Average Annual Turnover since Growth Equity inception (01/01/83) has been less than 25%.

B5. Earnings Growth: This has been a period of above trend earnings growth. We expect the earnings growth to be in the 18% - 20% range over the next five years.

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained: Number of Accounts: Total Market Value (\$m): \$ 31.1

Lost: Number of Accounts: 1 Total Market Value (\$m):

Reason(s): Asset allocation shifts to alternative investments

TCW VALUE OPPORTUNITIES
DOMESTIC EQUITY: RUSSELL MIDCAP VALUE BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
TCW	3.45%	-1.03%	8.99%	n/a	n/a
Russell Midcap Value	2.80%	2.83%	12.36%	—	—
Russell 3000	2.45%	2.53%	8.75%	—	—

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>TCW</u>	<u>RU Mid</u>	<u>Sector Analysis</u>		
			<u>Over-weight</u>	<u>TCW</u>	<u>RU Mid</u>
Mkt Value (\$m)	181.46	N/A	Info Tech	29.29%	7.46%
Wtd Cap (\$b)	5.41	7.84	Health Care	17.21%	3.72%
P/E	16.62	14.06	Cons Discre	15.00%	12.96%
Beta	1.22	1.00			
Yield (%)	1.08	2.14	<u>Under-weight</u>	<u>TCW</u>	<u>RU Mid</u>
Earnings Growth	14.22	7.14	Financials	16.07%	32.95%
			Utilities	0.00%	15.29%
			Cons Staples	1.36%	7.41%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Through the end of August the Value Opportunities strategy has reclaimed significant gains lost during the month of July. On a quarter-to-date basis, the Value Opportunities strategy is trailing the Russell Midcap Value index. However, as of late, the performance appears to be turning positive relative to the benchmark as investors begin to rotate out of energy, metals, materials, and mining into the equities of technology, retailers, and capital goods companies held within the Value Opportunities portfolio.

There have been no significant changes in the portfolio over the past month. Value Opportunities remains overweighted in statistically inexpensive industrial technology in which fundamentals are improving. The fund is also underweighted in financials, where valuations are not yet low enough to reflect the deteriorating fundamentals. We believe the portfolio has an excellent chance of closing the performance gap against the benchmark as we are positioned in those companies selling at the most attractive valuations in over a decade.

MANAGER STYLE SUMMARY

TCW is a "bottom-up" manager, implementing a "Value Opportunities" investment strategy, which seeks to add value by investing in small- and medium-capitalization companies that are currently undervalued. The key to their strategy is to identify the basis for the undervaluation and the related catalyst which will result in a realization of true company value. The portfolio will tend to hold a minimum of 45 securities and exhibit low P/E and P/B ratios.

TCW VALUE OPPORTUNITIES
DOMESTIC EQUITY: RUSSELL MIDCAP VALUE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	TCW	RU Mid	Min	Max	Compliance
B2. Security Market Cap (in \$m) > \$100 m @ purchase					ok
B3. Security Positions <= 20% @ purchase					ok
B4. Number of issues	55		45	200	ok
B5. Portfolio Characteristics					
Capitalization (in \$B)	5.1		\$1.0	\$4.5	check
P/B	2.17	1.96	1.8	3.3	ok
P/E (IBES Projected)	16.62	14.06	9.1	26.0	ok
Dividend Yield	1.08	2.14	0.6	1.3	ok
Earnings Growth	14.22	7.14	3.9	15.7	ok
F2. Commissions not to exceed \$0.05/share (or semi-annual explanation required)					ok
F3. Annual Turnover	108%			140%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B5. Capitalization: Typically TCW Value Opportunities runs a bit higher due to some larger capitalization companies.

T/O computation not relevant since portfolio commenced 6/07/04.

ORGANIZATIONAL/PERSONNEL CHANGES

None.

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

T. ROWE PRICE INTERNATIONAL INC.
INTERNATIONAL EQUITY: FTSE ALL WORLD EX U.S. BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Rowe Price	2.86%	2.00%	18.87%	19.51%	9.74%
FTSE AW ex U.S.	2.81%	3.87%	25.57%	24.92%	13.66%
MSCI EAFE	2.78%	3.84%	24.78%	23.99%	12.25%

COUNTRY ALLOCATION COMPARISON

<u>Over-weight</u>	<u>Rowe Price</u>	<u>AW x US</u>	<u>Under-weight</u>	<u>Rowe Price</u>	<u>AW x US</u>
Japan	23.43%	19.17%	UK	10.56%	19.56%
Italy	7.63%	3.67%	Canada	2.04%	5.71%
Austria	2.76%	0.53%	Hong Kong	0.00%	2.44%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Your portfolio was broadly in line with the benchmark for the month ended August 31, 2006. At the sector level, both stock selection and group weighting were marginally positive. Holdings in the financials sector proved rewarding with the portfolio well positioned to profit from the announcement of further consolidation in the Italian banking sector. Among positions in health care stocks, second-quarter results from a leading producer of diabetes-related products exceeded consensus expectations and confirmed robust growth in this segment. In the materials sector, a holding in a large Brazilian iron-ore producer detracted after its offer for a rival Canadian mining company led to stock price weakness. From a regional perspective, stock selection boosted performance although this was partially offset by group allocation. Holdings in developed Europe delivered the strongest returns, providing the majority of the top individual stock contributors. In contrast, stock-picking in emerging markets proved less successful.

Your portfolio underperformed the benchmark for the three-month period ended August 31, 2006. At the sector level, stock selection was mainly responsible for weaker returns, although group weighting was also negative. The consumer discretionary sector was the largest detractor, notably a Japanese online retailer, whose shares fell sharply after allegations of insider trading against one of its executives. Positioning in the financials sector also proved unrewarding. Among the leading detractors was a Japanese consumer finance company as the possibility of greater regulation in the industry continued to weigh on the stock. From a regional perspective, stock selection held back performance, and group weighting also had a small negative impact. Holdings in Japan and developed Europe delivered the weakest returns.

Strategy

Equity markets have recovered strongly from their correction earlier this year. Falls were driven by fears over inflation, rising interest rates, and concerns over prospects for global economic growth. Over the course of the next year we would anticipate monetary tightening to be complete, inflation to have peaked, growth to have moderated, and expectations of interest rate cuts to be rising. The U.S. market could outperform international markets as it has already discounted a slowdown in growth and interest rates there are close to peaking, whereas Japan and Europe are probably earlier in the tightening cycle. However, we believe that a weaker dollar will boost returns on international markets for U.S. investors over the medium and long term. Despite the sharp falls in emerging markets seen over the quarter as investors became more risk averse, their economies still appear to offer higher, although riskier, prospects for growth. The key risk for equities remains the possibility that inflationary pressures will push up interest rates to levels which in turn will reduce growth, with the negative effects of such a move on U.S. consumer spending a particular concern.

MANAGER STYLE SUMMARY

Rowe Price entails a "bottom-up" investment philosophy, whereby the primary emphasis is on security selection while country or regional weights are a secondary consideration. The portfolio will tend to have a large number of stocks, with characteristics and regional weightings similar to that of the benchmark. There is no obvious bias in market capitalization, price/earnings, or other attributes. Rowe Price represents a traditional and typical large international equity manager, whose returns in any single period should be around median, neither at the top or the bottom of the pack.

T. ROWE PRICE INTERNATIONAL INC.
INTERNATIONAL EQUITY: FTSE WORLD EX U.S. BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	Index	Rowe	Calc	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase						ok
B4. Number of issues		126		150	250	check
B5. Normal Sector Exposures (Country Allocation):						ok
Americas ex U.S.		8%		0%	15%	ok
United Kingdom		10%		5%	35%	ok
Europe ex U.K.		47%		15%	65%	ok
Japan		23%		10%	60%	ok
Pacific ex Japan		8%		2%	25%	ok
Non-Index Countries		1%		0%	25%	ok
Cash & Hedges		4%				
Total		100%				
B6. Normal Portfolio Characteristics						
Capitalization		\$1,294		\$125		ok
Price/Book Value	2.43	2.7	112%	80%	180%	ok
Price/Earnings	13.17	14.1	107%	80%	180%	ok
Price/Cash Flow	10.31	14.2	138%	80%	180%	ok
Dividend Yield	2.49	1.8	73%	80%	120%	check
C1. Currency or cross-currency position <= value of hedged securities						ok
No executed forward w/o a corresponding securities position.						ok
C2. Max forward w/ counterpart <= 30% of total mv of account						ok
H2. Annual turnover		71%		15%	45%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

B4. Number of Issues:

ORGANIZATIONAL/PERSONNEL CHANGES

There have been no structural changes to the product during August, 2006. Hiroshi Watanbe joined our Tokyo Office in August as a Research Analyst.

ACCOUNT TURNOVER

Gained:

Number of Accounts:

Total Market Value (\$m):

Lost:

Number of Accounts: 0

Total Market Value (\$m):

Reason(Organizational Changes.

TUKMAN CAPITAL MANAGEMENT, INC.
DOMESTIC EQUITY: S&P 500 BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Tukman	3.24%	3.94%	7.70%	5.36%	2.86%
S&P 500	2.38%	3.15%	8.90%	10.96%	4.65%

PORTFOLIO ATTRIBUTES

<u>Characteristics</u>	<u>Tukman</u>	<u>S&P 500</u>	<u>Sector Analysis</u>		
Mkt Value (\$m)	263.50	N/A	<u>Over-weight</u>	<u>Tukman</u>	<u>S&P 500</u>
Wtd Cap (\$b)	136.90	86.40	Cons Staples	23.10%	7.90%
P/E	16.50	18.00	Cons Disc	16.60%	11.60%
Beta	0.80	1.00	Technology	20.20%	12.10%
Yield (%)	1.92	1.90			
Earnings Growth	11.20	11.90	<u>Under-weight</u>	<u>Tukman</u>	<u>S&P 500</u>
			Energy	0.00%	11.00%
			Utilities	0.00%	23.00%
			Healthcare	7.00%	12.60%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

TCM portfolio outperformed the S&P 500 Index for the month and quarter, bringing the performance results to nearly even with the S&P 500 index for the first eight months of the year. The top performing stocks were Procter & Gamble, Gannett, ADP and Microsoft. P&G increased profits by 36% boosted by strong product sales and volume increases. P&G revenues were up 25%. Gannett stock has been experiencing poor performance due to a weak advertising environment, but rebounded on news of revenue increases. ADP was up on a 170% increase in profits due to the divestiture of the claims service business. Microsoft rallied when it announced plans to buy back \$40 billion in stock through a tender offer. Wells Fargo, Goldman Sachs and Disney all declined for the month. Wells Fargo declined as the bank restructured its debt portfolio due to interest rate changes. Goldman had very strong profits, but shares fell as investors become concerned about a general decline on Wall Street. Second quarter GS revenue also declined slightly. Disney shares leveled off after an early summer rally as investors now wait to see if the strong showing in the movie, television and theme park businesses will continue into the fall. During the month, we trimmed Microsoft and Pepsi on strength. We did not make any purchases.

For the last three months Microsoft, P&G and Pepsi have posted the strongest returns. Pepsi's non-carbonated drink volumes increased during the hot summer months. The worst performing companies were Wal-Mart, GS and Disney. Wal-Mart experienced profit declines due to the sale of its German business and higher energy prices.

MANAGER STYLE SUMMARY

Tukman's investment strategy is "Concentrated Quality GARP" (Growth At a Reasonable Price), whereby the portfolio is a concentrated mix of about 10-20 large capitalization stocks of quality companies who are leaders in their sectors, have demonstrated consistent earnings growth, have clear prospects for future earnings growth, and trade at values at or slightly below the average S&P 500 company. This style is similar to that of Warren Buffet. Due to the portfolio concentration, it tends to be more volatile than other widely diversified portfolios. Consequently, they can lag significantly behind their benchmark for a period of time, then rapidly make up the difference and/or outperform relative to their benchmark.

TUKMAN CAPITAL MANAGEMENT, INC.
DOMESTIC EQUITY: S&P 500 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST

2006

Portfolio Guideline:	S&P 500	Tukman	Calc	Min	Max	Compliance
B2. Security Market Cap (in \$m)						ok
B3. Wtd Avg Cap > \$10 billion						ok
B4. Number of issues		16		10	20	ok
B5. Security Positions <= 15% @ purchase						ok
B6a. P/E (projected)	19.00	16.50	1.2	0.8	1.3	ok
B6b. Beta	1.00	0.80	1.3	0.8	1.3	ok
B6c. Yield	1.86	1.92	97%	50%	150%	ok
B6d. Expected Earnings Growth	11.90	11.20	1.1	0.7	1.3	ok
E2. Commissions not to exceed \$0.05/share						ok
E3. Annual Turnover		9%		5%	45%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines					<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

None

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	2	Total Market Value (\$m):	\$	128.0
Reason(s): Performance and new staff that is implementing a new asset allocation and manager structure.					

WESTERN ASSET MANAGEMENT- CORE FULL DISCRETION
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last <u>Month</u>	Last <u>3 Months</u>	Last <u>1 Year</u>	Last <u>3 Years*</u>	Last <u>5 Years*</u>
Western	1.91%	3.91%	2.38%	n/a	n/a
Lehman Aggregate	1.53%	3.12%	1.71%	n/a	n/a

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

Performance Attribution—August

Strategies produced generally positive results in August. Overweight duration was rewarded as interest rates fell, while a modestly bulleted yield curve exposure detracted from performance as the curve flattened. Overweight exposure to the mortgage-backed sector was a modest plus, since spreads only widened marginally, while underweight exposure to investment grade credits was a modest negative. A moderate exposure to TIPS had little impact on performance, as the negative impact of lower breakeven spreads was roughly offset by TIPS's longer duration. A modest exposure to emerging market debt added to performance as spreads tightened. Our emphasis on high-yield auto sector debt was rewarded as spreads narrowed. Nondollar bond exposure detracted from returns as foreign bond yields declined by less than their domestic counterparts, and our long position in the front end of the U.K. yield curve suffered as rates rose.

Outlook and Strategy

With economic growth moderating and the Fed likely to pause, we think interest rates are likely to be relatively stable near term. Thus we continue to follow a tactical duration strategy, allowing duration to follow the direction of rates. We have a modest exposure to a steeper yield curve, in the belief that stable short-term interest rates will allow a more normal term premium to reestablish itself. Our primary sector overweight is to mortgages, since they should benefit from low volatility. With credit spreads generally low, we are targeting a neutral to underweight exposure to the sector, with overweights concentrated in the auto and high-yield sectors. We hold a moderate exposure to TIPS as a hedge against higher-than-expected inflation, and a moderate exposure to nondollar bonds largely for their diversifying properties.

MANAGER STYLE SUMMARY

Western manages a customized portfolio for PERSI, which falls outside of their traditional product offerings. While the product is called, "Core Full Discretion" (one of their traditional products), Western has the flexibility to invest in global inflation-linked bonds and to take bigger bets where they see the opportunity. As such, this portfolio is more volatile than the traditional underlying product. This global mandate allows Western to hold foreign, non-dollar denominated securities, take currency positions, and enter into futures, options and swaps contracts.

WESTERN ASSET MANAGEMENT- CORE FULL DISCRETION
GLOBAL FIXED: LEHMAN AGGREGATE BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST 2006

Portfolio Guideline:	Western	Min	Max	Compliance
C. Weighted average duration including futures positions	8.20	-30.00	30.00	ok
C4 (2): Sector Allocation				
a. Non-dollar denominated securities		0%	40%	ok
Un-hedged non-dollar denominated securities		0%	20%	ok
b. U.S. securities rated below investment grade (BIG)		0%	40%	ok
c. Non-dollar, Non-U.S. securities rated BIG		0%	20%	ok
d. Non-dollar denominated+emerging mkt+high yield		0%	50%	ok
C4 (3): Issuer				
a. Guaranteed by US gov, agencies, gov-sponsored corp or G-7		0%	100%	ok
b. Other national governments - limit per issuer		0%	10%	ok
c. Private MBS/ABS - limit per issuer		0%	10%	ok
If collateral is credit-independent of issuer & security's credit enhancement is generated internally - limit per issuer		0%	25%	ok
d. Obligations of other issuers subject to per issuer limit		0%	5%	ok
C4 (5): Credit				
No more than 40% of portfolio below Baa3 or BBB-/A2 or P2		0%	40%	ok
C4 (7): Derivatives				
Original futures margin and options premiums, exclusive of any in-the-money portion of the premiums		0%	5%	ok
F2. Annual Turnover	67%	100%	200%	check
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

percentages are based off market values that have not yet been reconciled

ORGANIZATIONAL/PERSONNEL CHANGES

ACCOUNT TURNOVER

Gained:	Number of Accounts:	Total Market Value (\$m):
Lost:	Number of Accounts:	Total Market Value (\$m):
	Reason(s):	

ZESIGER CAPITAL GROUP LLC
GLOBAL EQUITY: WILSHIRE 5000 BENCHMARK

FOR THE MONTH OF: **AUGUST** **2006**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Zesiger Total	5.12%	0.97%	26.80%	18.42%	13.84%
Zesiger Private	-2.10%	-6.16%	13.81%	6.26%	-8.18%
Zesiger Public	5.39%	1.24%	27.42%	19.01%	16.81%
MSCI ACWI	2.64%	3.37%	17.24%	17.80%	8.99%
Wilshire 5000	2.35%	2.17%	8.76%	12.01%	6.14%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The portfolio continued to rebound strongly from the mid-year decline. Total return for August was 5.1%, nearly doubling the MSCI ACWI index and more than doubling the return for the Wilshire 5000 benchmark. Both domestic and international portions contributed to the portfolio's performance for the month. Domestic returning 6.2% and international 4.9% versus the benchmark returns of 2.6% [MSCI ACWI] and 2.4% [Wilshire 5000].

Domestic biotechnology and medical technology provided much of the leadership for the month's performance. The reasons for this were more company-specific than sector allocation. For example: The stock price of Tripath surged when it was announced that Becton Dickinson offered to buy the company at an 80% premium to the market price; Heska continued to report good numbers and a promising forecast for 2007; Collagenex rebounded from having traded down on hearsay that proved to be false; and Durect rose after being oversold in the mid-year crush.

Indian holdings provided clear leadership for the month's international performance. Some of these holdings were resurging from the mid-year market decline [Adlabs and State Bank of India] while others were continuing their leadership role [India Cements and Larsen & Tubro]. Indonesia played a strong supporting role in the month's performance. All three holdings were up strongly. Beijing Capital Land opened again for trading the last week of the month, and its price jumped nearly 20% for that week. We have recently visited the company in Beijing and are impressed with the company's positioning today to avoid most of the effects of the government's edicts to curtail property speculation. Having been uncertain about this holding, we are now holding firm and looking into increasing the position. We are also impressed with Turkey after a recent visit there and note that Turkiye Is Bankasi in the portfolio has rebounded well from mid-year lows.

Because of the strong results in August, the portfolio's trailing three-month performance has returned to positive territory and significantly closed the gap with its benchmark for that period. Critical for this result is the portfolio's concentration in Southeast Asia and India and on a focused domestic strategy.

MANAGER STYLE SUMMARY

Zesiger's unique mandate is best described as an "absolute total return" strategy: they are allowed to invest in any publicly traded equity or debt instrument (excluding derivatives) and private equity (which is also tracked by Hamilton Lane). Zesiger's style entails more of a long-term trend and growth orientation, which favors small growth stocks (particularly bio-tech), emerging markets and private equity -- this implies high volatility. Judgements regarding Zesiger's performance should entail a long-term (at least 5 yrs) perspective, given their style. Portfolio characteristics will tend to be growth-oriented, with a tendency for country allocations to be in less-developed countries. Zesiger will not track any particular index well.

ZESIGER CAPITAL GROUP LLC
GLOBAL EQUITY: WILSHIRE 5000 BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

AUGUST 2006

Portfolio Guideline:	Zesiger	Min	Max	Compliance
B3. Security position <= 5% of the account @ purchase				ok
B4. Number of issues	95	80	160	ok
B5. Normal Country Exposures:				
United States & Canada	50%	30%	100%	ok
Americas ex U.S.	4%	0%	25%	ok
United Kingdom	0%	0%	25%	ok
Europe ex U.K.	3%	0%	40%	ok
Japan	4%	0%	45%	ok
Pacific ex Japan	24%	0%	35%	ok
Non-Index Countries	10%	0%	15%	ok
Cash & Hedges	5%			
Total	100%	(does not have to add up to 100%)		
C1. Currency or cross-currency position <= value of hedged securities				ok
No executed forward w/o corresponding securities position				ok
C2. Maximum forward with counterpart <= 30% of total mv of account				ok
F2. Brokerage commissions not to exceed \$0.06/share				ok
F3. Annual Turnover	25%		100%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

none

ACCOUNT TURNOVER

Gained:	Number of Accounts:	2	Total Market Value (\$m):	\$	600,000.0
Lost:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
	Reason(s):				

PERSI Choice Plan Summary

For the month of: August 2006

Performance

blue = outperform by 50 bp; red = underperform by 50 bp (* Annualized)

Fund returns are net of fees with the exception of the PERSI Total Return Fund and SEI Stable Value Fund

	<u>Ticker</u> *	<u>Last Month</u>	<u>Last 3 Months</u>	<u>Last 1 Year</u>	<u>Last 2 Years*</u>
PERSI Total Return Fund	n/a	2.5%	3.5%	12.4%	13.8%
Policy Bench (55-15-30)		2.2%	2.9%	9.0%	10.6%
Domestic Equity Options:					
Mellon Wilshire 5000 Stock Index Fund (Wil 5000)	n/a	2.3%	2.3%	8.9%	12.1%
Wilshire 5000		2.4%	2.2%	8.8%	12.3%
Mellon S&P 500 Stock Index Fund (S&P 500)	n/a	2.3%	3.1%	8.9%	10.7%
Vanguard Growth & Income Fund (S&P 500) †	VGIAX	2.2%	2.0%	7.9%	10.5%
S&P 500		2.4%	3.2%	8.9%	10.7%
Dreyfus Premier Midcap Stock R Fund (S&P Mid)	DDMRX	-0.2%	-3.8%	2.8%	12.7%
S&P 400 Midcap		1.1%	-1.7%	6.7%	15.4%
T. Rowe Price Small Cap Stock Fund (RU 2000) ††	OTCFX	1.6%	-2.0%	9.1%	15.9%
Russell 2000		3.0%	0.3%	9.4%	16.0%
International Equity Options:					
Mellon International Stock Index Fund (MSCI EAFE)	n/a	2.8%	3.8%	24.4%	24.2%
Brandes International Equity Fund (MSCI EAFE)	BIIEIX	3.3%	3.4%	22.8%	22.2%
MSCI EAFE net dividends		2.7%	3.8%	24.3%	23.9%
MSCI EAFE Free		2.8%	3.8%	24.8%	24.4%
Fixed Income Options:					
SEI Stable Value Fund (Money Market + 50 bp)	n/a	0.4%	1.1%	4.5%	4.5%
ML 91-day T-bills + 0.50%		0.9%	1.8%	4.8%	3.9%
Dodge and Cox Fixed Income Fund (Leh Aggregate)	DODIX	1.4%	2.5%	2.3%	3.1%
Mellon Aggregate Bond Index Fund (Leh Aggregate)	n/a	1.5%	3.1%	1.7%	2.9%
Lehman Aggregate		1.5%	3.1%	1.7%	2.9%

* Mutual Fund performance reported by Morningstar; SEI from Manager; all others per custodian; Mutual funds are identified with corresponding tickers

† Vanguard Growth & Income Admiral Shares (VGIAX) performance begins as of 8/01/03; all previous periods are based on performance of Vanguard Growth & Income Investor Shares (VQNPX) through 7/31/03

†† T. Rowe Price Small Cap Stock Fund (OTCFX) performance begins as of 8/01/03; all previous periods are based on performance of ING Small Company Fund (AESGX) through 7/31/03

** Market values stated on the following Asset Allocation page may differ from the PERSI Choice Plan website due to timing issues (market values are reported as of the last day of the month and do not include the cash flows for the same day)

Comments

During the month, the Brandes International Equity Fund was the best-performing option, with relative outperformance of at least 70 basis points over the MSCI EAFE benchmark. The PERSI Total Return Fund was the only other plan option to exceed the underlying benchmark return. The Dreyfus Premier Midcap Stock R Fund, the T. Rowe Price Small Cap Stock Fund, and the SEI Stable Value Fund underperformed their respective benchmarks by 50 basis points or more. All other plan options generated returns in line with or within 50 basis points of their respective benchmarks. The PERSI Total Return Fund continues to be the most widely used Choice Plan option.

PERSI Choice Plan Summary
For the month of: August 2006

Asset Allocation **

	<u>Month-end Mkt Value</u>	<u>Alloc by Fund</u>	<u>Alloc by Asset Class</u>
<i>Default:</i>			
PERSI Total Return Fund	\$ 186,625,436	79.6 %	79.6 %
<i>Domestic Equity Options:</i>			10.3 %
Mellon Wilshire 5000 Stock Index Fund (Wil 5000)	\$ 1,342,273	0.6 %	
Mellon S&P 500 Stock Index Fund (S&P 500)	\$ 6,132,302	2.6 %	
Vanguard Growth & Income Fund (S&P 500)	\$ 7,362,230	3.1 %	
Dreyfus Premier Midcap Stock R Fund (S&P Mid)	\$ 3,482,339	1.5 %	
T. Rowe Price Small Cap Stock Fund (RU 2000)	\$ 5,945,566	2.5 %	
<i>International Equity Options:</i>			3.9 %
Mellon International Stock Index Fund (MSCI EAFE)	\$ 1,860,361	0.8 %	
Brandes International Equity Fund (MSCI EAFE)	\$ 7,397,603	3.2 %	
<i>Fixed Income Options:</i>			5.3 %
SEI Stable Value Fund (Leh Gov Inter)	\$ 7,975,233	3.4 %	
Dodge and Cox Fixed Income Fund (Leh Aggregate)	\$ 3,275,645	1.4 %	
Mellon Aggregate Bond Index Fund (Leh Aggregate)	\$ 1,161,514	0.5 %	
<i>Other:</i>			
Loans	\$ 2,005,341	0.9 %	0.9 %
Total DC Plan	\$ 234,565,844	100.0 %	100.0 %

Current AA by Fund

